

commission of commercial experts; to the Committee on Ways and Means.

Also, resolution adopted by the Stark County Medical Society in meeting assembled at Dickinson, N. Dak., urging that adequate provision be made in the new organization of the Army for a sufficient number of medical officers; to the Committee on Military Affairs.

Also, concurrent resolution adopted by the Fourteenth Legislative Assembly of the State of North Dakota, urging Congress to prohibit the shipment of arms and munitions of war from the United States to any of the nations engaged in the European war; to the Committee on Military Affairs.

Also, resolution adopted by the Grand Forks (N. Dak.) District Medical Society in meeting assembled on December 8, 1915, praying that the Secretary of War make adequate provision in the reorganization of the Army for additional medical officers; to the Committee on Military Affairs.

Also, resolution adopted by the North Dakota Pharmaceutical Association in meeting held at Fargo in August, 1915, protesting against the reenactment of certain provisions of the stamp-tax revenue law; to the Committee on Ways and Means.

By Mr. OAKLEY: Petition of merchants and business men of New Britain, Conn., favoring bill taxing mail-order houses; to the Committee on Ways and Means.

By Mr. OVERMYER: Petition of American Oil Development Co., protesting against tax on gasoline and other petroleum products and upon horsepower, etc.; to the Committee on Ways and Means.

Also, petition of manufacturers and bankers of the thirteenth Ohio congressional district, against certain sections of proposed revenue act; to the Committee on Ways and Means.

Also, memorial of Ohio Millers' State Association, favoring passage of the grain-grades bill (H. R. 4646); to the Committee on Agriculture.

Also, petition of John Held and others of the thirteenth Ohio congressional district, against increase of tax on whisky, etc.; to the Committee on Ways and Means.

Also, petitions of executive committee of the Ohio Stogie Manufacturers Association, protesting against revenue tax on cigars, etc.; to the Committee on Ways and Means.

By Mr. PADGETT: Evidence to accompany bill granting increase of pension to Arabella Irwin; to the Committee on Invalid Pensions.

By Mr. PRATT: Petition of the men's bible class of the Presbyterian Church, the men's bible class of the Methodist Church, the men's bible class of the Baptist Church, all of Watkins, N. Y., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of W. J. Allen, of Ithaca, N. Y., protesting against the proposed tax on gasoline and automobiles; to the Committee on the Judiciary.

Also, petition of the Steuben County Woman's Christian Temperance Union, favoring national prohibition; to the Committee on the Judiciary.

By Mr. RAKER: Memorial of the Association of Pacific Fisheries, urging increase of the general appropriation for propagation of the Bureau of Fisheries; to the Committee on Appropriations.

By Mr. ROWE: Petition of Portland (Oreg.) Chamber of Commerce, relative to pay for carrying the mail; to the Committee on Interstate and Foreign Commerce.

Also, petitions of Chamber of Commerce of Fulton, N. Y., and Electrical Supply Jobbers' Association, of Chicago, Ill., favoring passage of the Stevens bill; to the Committee on Interstate and Foreign Commerce.

Also, memorial of Society of Friends of Pennsylvania, New Jersey, Delaware, and Maryland, against military preparedness; to the Committee on Military Affairs.

Also, petition of Manhattan Camp, No. 1, Department of New York, United Spanish War Veterans, and William McKinley Camp, No. 62, Department of New York, United Spanish War Veterans, urging pensions for widows; to the Committee on Pensions.

By Mr. SCULLY: Memorial of Monthly Meeting of Friends of Philadelphia, Pa., against military preparedness; to the Committee on Military Affairs.

Also, memorial of Chamber of Commerce of Cape May County seashore resorts, relative to acquiring by the Government of the United States of inland waterways of New Jersey; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Michigan: Protest of H. J. Stohrer and 48 other citizens of Kalamazoo, against any increase in revenue tax on cigars; to the Committee on Ways and Means.

Also, protest of F. C. Emery, of Battle Creek, against increased taxation on tobacco and cigars; to the Committee on Ways and Means.

Also, resolution of the Woman's Temperance Union of Coldwater, favoring national prohibition; to the Committee on the Judiciary.

Also, protest of Williams-Davis-Brooks & Hinchman Sons, Detroit, against the reenactment of the emergency war-revenue act taxing toilet articles and perfumes; to the Committee on Ways and Means.

By Mr. SMITH of Idaho: Papers to accompany House bill 7414, to pension Carl J. Domrose; to the Committee on Pensions.

Also, papers to accompany House bill 7407, to pension Foster R. Vincent; to the Committee on Invalid Pensions.

Also, papers to accompany House bill 7408, to increase the pension of James Waters; to the Committee on Invalid Pensions.

Also, papers to accompany House bill 7406, to increase the pension of Mary Lemon; to the Committee on Invalid Pensions.

Also, papers to accompany House bill 7413, to increase the pension of Philip George; to the Committee on Pensions.

Also, papers to accompany House bill 7415, to pension Leo Tucker; to the Committee on Pensions.

Also, papers to accompany House bill 5595, to pension Joseph L. Hengel; to the Committee on Pensions.

Also, papers to accompany House bill 7412, to increase the pension of Benjamin N. Trout; to the Committee on Invalid Pensions.

Also, papers to accompany House bill 7419, granting a patent to a certain strip of land to Elisha A. Crandall; to the Committee on the Public Lands.

Also, papers to accompany House bill 7416, for the relief of Robert J. Shields; to the Committee on Claims.

By Mr. STEDMAN: Petition of sundry citizens of North Carolina, protesting against the child-labor bill; to the Committee on Labor.

By Mr. STINESS: Petitions of sundry citizens of East Greenwich, Riverpoint, and Arctic, R. I., favoring bill to tax mail-order houses; to the Committee on Ways and Means.

By Mr. SWIFT: Memorial of William H. Hubbell Camp, No. 4, Department of New York, United Spanish War Veterans, relative to pensions for widows; to the Committee on Pensions.

By Mr. TILSON: Petition of Connecticut Wine, Liquor, and Beer Dealers' Association, against national prohibition; to the Committee on the Judiciary.

SENATE.

THURSDAY, January 6, 1916.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, in whom dwelleth all fullness of life and power, we call upon Thee in the midst of the great and perplexing problems of our national life. We thank Thee that as we come to Thee we are assured of the essential unity of the moral life of this great people, and that we know the strength of our national life lies in the high ideals of the people of this country. Keep us faithful to Thee, the Author of the divine law. Give us reverence for life, that we may not only respect the right to live, but be inspired by the possibilities of a holy life. By Thy grace may we so discharge the duties imposed upon us that the divine plan may be wrought out and great blessing come to all the people. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented resolutions of the Polish Citizens' League of Lake County, Ind., expressing appreciation of and thanks for the resolution of the Senate and the proclamation of the President of the United States appointing a day on which the people of the United States were asked to contribute to the relief of the suffering Poles in Europe, which were ordered to lie on the table.

He also presented resolutions adopted at the annual convention of the American Federation of Labor, held at San Francisco, Cal., favoring the selection of an impartial commission to investigate the Steamboat-Inspection Service, which were referred to the Committee on Commerce.

He also presented a petition of the National Drug Trade Conference, held at Detroit, Mich., praying that no amendments to the so-called Harrison antinarcotic drug law be adopted pending a judicial construction of the present law, which was referred to the Committee on Public Health and National Quarantine.

He also presented a memorial of the National Drug Trade Conference, held at Detroit, Mich., remonstrating against a tax on toilet articles and chewing gum, which was referred to the Committee on Finance.

Mr. McCUMBER presented a petition of the Medical Society of Stark County, N. Dak., praying for an increase in the Medical Corps of the Army, which was referred to the Committee on Military Affairs.

He also presented a memorial of Local Union, Farmers' Educational Cooperative Union of America, of Stutsman County, N. Dak., remonstrating against an increase in armaments, which was referred to the Committee on Military Affairs.

He also presented a petition of the National Federation of Implement and Vehicle Dealers' Associations, of Abilene, Kans., praying for the creation of a nonpartisan tariff commission, which was referred to the Committee on Finance.

Mr. SMITH of South Carolina presented memorials of sundry citizens of South Carolina, remonstrating against the enactment of legislation to prohibit interstate commerce in the products of child labor, which were referred to the Committee on Education and Labor.

Mr. CUMMINS. I present a great number of memorials in the form of communications to myself from citizens of Iowa. I ask that one of them be read and that all be referred to the appropriate committee.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

WAVERLY, IOWA, January 3, 1916.

Hon. A. B. CUMMINS,
United States Senate, Washington, D. C.

DEAR SIR: At its last meeting the faculty of Wartburg Teachers' Seminary and Academy passed a resolution to appeal to you in the name of God and humanity to use your influence in Congress to stop the unholy traffic in arms, ammunition, and munitions of war now going on between our beloved United States and the warring nations of Europe, which implicates us in bloodguiltiness and promises to cover the Stars and Stripes with everlasting shame.

Very respectfully, yours, in the name of humanity,

THE FACULTY OF WARTBURG TEACHERS

SEMINARY AND ACADEMY,

By AUGUST ENGELBRECHT, President.

By OSWALD HARDING, Secretary.

The VICE PRESIDENT. The memorials will be referred to the Committee on Foreign Relations.

Mr. PAGE presented a petition of the Vermont State Teachers' Association, praying for Federal censorship of motion pictures, which was referred to the Committee on Education and Labor.

Mr. TILLMAN presented a memorial of sundry citizens of Rockhill, S. C., remonstrating against the enactment of legislation to prohibit interstate commerce in the products of child labor, which was referred to the Committee on Education and Labor.

He also presented a petition of sundry citizens of the seventh congressional district of South Carolina, praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which was referred to the Committee on Woman Suffrage.

Mr. SHIVELY presented a memorial of the Society of Friends, of Falls Creek, Ind., remonstrating against an increase in armaments, which was referred to the Committee on Military Affairs.

He also presented the petition of William P. Kibbey, Maggie A. Kibbey, Robinson Ashby, and 66 other citizens of Advance, Ind., praying that a prohibitive tax be placed on intoxicating liquors, which was referred to the Committee on Finance.

Mr. MYERS. I present a large number of petitions from residents of the Flathead Indian Reservation in Montana, asking for an appropriation of \$1,000,000 for work on the Flathead reclamation project in that State. I move that the petitions be received and referred to the Committee on Indian Affairs.

The motion was agreed to.

REPORTS OF COMMITTEES.

Mr. CUMMINS, from the Committee on the Judiciary, to which was referred the bill (S. 1294) amending section 81 of the Judicial Code, reported it with amendments and submitted a report (No. 29) thereon.

Mr. CUMMINS. On behalf of the Committee on the Judiciary I report back adversely the bill (S. 522) amending section 81 of the Judicial Code, chapter 231, act of the Sixty-first Congress, third session, with the recommendation that it be indefinitely postponed. I will say in that connection that the substance of the bill is embodied in a report which I made a few moments ago.

The VICE PRESIDENT. The bill will be postponed indefinitely.

Mr. WILLIAMS, from the Committee on the Library, to which was referred the bill (S. 609) to aid in the erection of a monu-

ment to Pocahontas at Jamestown, Va., reported it with an amendment and submitted a report (No. 27) thereon.

He also, from the same committee, to which was referred the bill (S. 611) for the erection of a monument to the memory of Matthew Fontaine Maury, of Virginia, reported it with amendments and submitted a report (No. 28) thereon.

R. W. BRANSON—CHANGE OF REFERENCE.

Mr. CURTIS. On yesterday I introduced a bill, being Senate bill 2890, for the relief of R. W. Branson, and it was referred to the Committee on Post Offices and Post Roads. I ask unanimous consent of the Senate that that committee be discharged from the further consideration of the bill and that it be referred to the Committee on Claims.

The VICE PRESIDENT. Without objection, the bill will be referred to the Committee on Claims.

MISSOURI RIVER BRIDGE.

Mr. SHEPPARD. From the Committee on Commerce I report back favorably without amendment the bill (S. 788) permitting the Wolf Point Bridge & Development Co. to construct, maintain, and operate a bridge across the Missouri River in the State of Montana, and I submit a report (No. 26) thereon. I ask for the immediate consideration of the bill.

Mr. WALSH. Mr. President—

The VICE PRESIDENT. The Senator from Texas asks unanimous consent for the present consideration of the bill.

Mr. WALSH. I was about to make that request.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAMBERLAIN:

A bill (S. 3191) to amend section 1342 and chapter 6, Title XIV, of the Revised Statutes of the United States, and for other purposes; to the Committee on Military Affairs.

A bill (S. 3192) granting an increase of pension to Homer T. Barnett (with accompanying papers); to the Committee on Pensions.

By Mr. MARTIN of Virginia:

A bill (S. 3193) to reinstate Philip Barbour Peyton, jr., in the United States Navy as a midshipman; to the Committee on Naval Affairs.

By Mr. THOMPSON:

A bill (S. 3194) to promote the safety of employees and travelers on railroads by requiring common carriers engaged in interstate commerce by railroad to afford a safe and sufficient clearance between structures located on their roadways and locomotives and cars passing over their lines, and for other purposes; to the Committee on Interstate Commerce.

By Mr. SMITH of South Carolina:

A bill (S. 3195) to regulate the immigration of aliens to and the residence of aliens in the United States; to the Committee on Immigration.

By Mr. GALLINGER:

A bill (S. 3196) to provide for the purchase of a site and the erection of a public building thereon at Claremont, in the State of New Hampshire (with accompanying papers); to the Committee on Public Buildings and Grounds.

A bill (S. 3197) granting an increase of pension to George W. Doyle (with accompanying papers);

A bill (S. 3198) granting an increase of pension to Harvey D. Plummer, alias Harvey D. Picknell (with accompanying papers); and

A bill (S. 3199) granting an increase of pension to Benjamin H. Whipple (with accompanying papers); to the Committee on Pensions.

By Mr. GORE:

A bill (S. 3200) to establish a Foreign Commerce and Tariff Commission; to the Committee on Finance.

By Mr. NORRIS:

A bill (S. 3202) to standardize the treatment of tuberculosis in the United States, to provide Federal aid in caring for indigent tuberculous persons, and for other purposes; to the Committee on Public Health and National Quarantine.

By Mr. STERLING:

A bill (S. 3203) granting to the city of Lemmon, S. Dak., certain lands for reservoir purposes; to the Committee on Public Lands.

A bill (S. 3204) granting a pension to Ellen Rush; to the Committee on Pensions.

By Mr. CLAPP:

A bill (S. 3206) for the restoration of annuities to the Medawakanton and Wahpakoota (Santee) Sioux Indians, declared forfeited by the act of February 16, 1863; to the Committee on Indian Affairs.

A bill (S. 3207) authorizing the Secretary of War to make a donation of condemned cannon and cannon balls; to the Committee on Military Affairs.

By Mr. O'GORMAN:

A bill (S. 3208) for the relief of the widow and minor children of Michael Gumb, deceased; to the Committee on Claims.

By Mr. JONES:

A bill (S. 3209) granting an increase of pension to James Campbell (with accompanying papers);

A bill (S. 3210) granting an increase of pension to Bridget Darcey (with accompanying papers);

A bill (S. 3211) granting a pension to Charles H. Ferris; and

A bill (S. 3212) granting a pension to Samuel P. Johns, jr.; to the Committee on Pensions.

By Mr. SHERMAN:

A bill (S. 3213) granting an increase of pension to Stephen B. Garrigus; to the Committee on Pensions.

By Mr. THOMAS:

A bill (S. 3214) granting a pension to Mary A. Hoon (with accompanying papers); to the Committee on Pensions.

By Mr. McCUMBER:

A bill (S. 3215) granting an increase of pension to Harriet A. Cady (with accompanying papers); to the Committee on Pensions.

By Mr. DU PONT:

A bill (S. 3216) to provide for the exchange of the present Federal building site in Newark, Del.; to the Committee on Public Buildings and Grounds.

A bill (S. 3217) granting a pension to Ernest Hattier; to the Committee on Pensions.

By Mr. ASHURST:

A bill (S. 3218) granting an increase of pension to James H. Haley; to the Committee on Pensions.

A bill (S. 3219) granting an honorable discharge to Andrew Bird; to the Committee on Military Affairs.

By Mr. SHIVELY:

A bill (S. 3220) granting a pension to Elizabeth Shaffer (with accompanying papers);

A bill (S. 3221) granting an increase of pension to Rebecca C. Pippenger (with accompanying paper);

A bill (S. 3222) granting an increase of pension to James L. Richwine (with accompanying papers);

A bill (S. 3223) granting an increase of pension to Samuel J. Stape (with accompanying papers);

A bill (S. 3224) granting an increase of pension to James N. Tuttle (with accompanying papers);

A bill (S. 3225) granting an increase of pension to John F. Wilson (with accompanying papers);

A bill (S. 3226) granting an increase of pension to Henry Whamer (with accompanying papers);

A bill (S. 3227) granting an increase of pension to John Willford;

A bill (S. 3228) granting an increase of pension to George H. Poinier;

A bill (S. 3229) granting an increase of pension to Joseph A. Nolan;

A bill (S. 3230) granting a pension to Laura A. Newman (with accompanying papers);

A bill (S. 3231) granting an increase of pension to Charles Moritz (with accompanying papers);

A bill (S. 3232) granting a pension to Bessie D. Blu (with accompanying papers);

A bill (S. 3233) granting a pension to Sarah E. Benton (with accompanying papers);

A bill (S. 3234) granting an increase of pension to Thomas J. Dweese (with accompanying papers);

A bill (S. 3235) granting a pension to Elizabeth Fisher (with accompanying papers);

A bill (S. 3236) granting a pension to Albert E. Lay (with accompanying papers);

A bill (S. 3237) granting a pension to Fred Lamke;

A bill (S. 3238) granting an increase of pension to James W. Defore;

A bill (S. 3239) granting an increase of pension to Mary F. La Pierre (with accompanying papers);

A bill (S. 3240) granting an increase of pension to George W. Kersey (with accompanying papers);

A bill (S. 3241) granting an increase of pension to William H. Gallup (with accompanying papers);

A bill (S. 3242) granting an increase of pension to Edward L. Jones (with accompanying papers);

A bill (S. 3243) granting an increase of pension to William H. Finney;

A bill (S. 3244) granting an increase of pension to Felix Gremore;

A bill (S. 3245) granting an increase of pension to John Kringer; and

A bill (S. 3246) granting an increase of pension to Robert O. Jones; to the Committee on Pensions.

By Mr. SHIELDS:

A bill (S. 3247) granting a pension to William R. Phillips; to the Committee on Pensions.

By Mr. TILLMAN:

A bill (S. 3248) authorizing the Seaboard Air Line Railway Co., a consolidated corporation organized under the laws of the State of Virginia and other States, to construct, maintain, and operate a bridge and approaches thereto across Back River, between Jasper County, S. C., and Chatham County, Ga.; to the Committee on Commerce.

By Mr. POINDEXTER:

A bill (S. 3251) confirming patents heretofore issued to certain Indians in the State of Washington; to the Committee on Indian Affairs.

By Mr. ASHURST:

A joint resolution (S. J. Res. 70) providing for the continuation of the Joint Commission to Investigate Indian Affairs; to the Committee on Indian Affairs.

BUREAU OF FARM LOANS.

Mr. NORRIS. I introduce a bill providing for the establishment of a bureau of farm loans in the Department of Agriculture.

The bill (S. 3201) providing for the establishment of a Bureau of Farm Loans in the Department of Agriculture was read twice by its title.

The VICE PRESIDENT. In the absence of objection the bill will be referred to the Committee on Agriculture and Forestry.

Mr. NORRIS. A similar bill was introduced in the last Congress, and it was referred to the Committee on Agriculture and Forestry. That committee was discharged from its consideration and it was referred to the Committee on Banking and Currency. I have no particular choice as to the committee to which this bill should be referred, but I think it would be better to have it referred to the Committee on Banking and Currency.

The VICE PRESIDENT. The bill will be referred to the Committee on Banking and Currency.

PROTECTION OF GAME IN THE YELLOWSTONE PARK.

Mr. WALSH. I introduce the bill which I send to the desk.

The bill (S. 3205) to amend an act entitled "An act to protect the birds and animals in the Yellowstone National Park, and to punish crimes in said park, and for other purposes," approved May 7, 1894, was read twice by its title.

Mr. WALSH. The bill is intended to change the existing law in relation to the extent of the punishment to be inflicted in the case of the unlawful killing of birds or animals within the national park, in order that jurisdiction of crimes of that character may be brought within the scope of the operation of the commission to relieve the Federal court at Cheyenne of the obligation of trying those cases. It should accordingly, in my estimation, be referred to the Committee on the Judiciary.

The VICE PRESIDENT. The bill will be referred to the Committee on the Judiciary.

METRIC SYSTEM IN EXPORT TRADE.

Mr. FLETCHER. I have here a report on the use of the metric system in export trade by Director S. W. Stratton, of the Bureau of Standards. It is regarded by many as a very important paper, especially useful in connection with the foreign trade, and it is desired that it shall be printed as a public document. I ask that it be referred to the Committee on Printing with reference to its publication as a public document.

The VICE PRESIDENT. That action will be taken.

MINING AND METALLURGICAL SOCIETY OF AMERICA.

Mr. SMOOT. I offer a partial synopsis of the conference of the Mining and Metallurgical Society of America held in the auditorium of the Smithsonian Institution on December 16, 1915, with a view to having it printed as a public document. I ask that it be referred to the Committee on Printing for action.

In that connection I wish to say that the Bureau of Mines has informed me that they have a list of 8,000 operators to which they desire these proceedings to be mailed. I shall ask

the Committee on Printing to authorize the printing of 10,000 copies of this document.

The VICE PRESIDENT. The paper will be referred to the Committee on Printing.

FISCAL AFFAIRS IN THE DISTRICT OF COLUMBIA (H. DOC. NO. 495).

Mr. CHILTON. I present the report of the joint select committee appointed under the act of March 3, 1915, to determine the fiscal relations between the United States and the District of Columbia. I ask that the report be printed in the RECORD. There are many accompanying papers and much evidence, which will be filed with the Secretary of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

The report referred to is as follows:

REPORT OF JOINT SELECT COMMITTEE APPOINTED PURSUANT TO THE ACT OF CONGRESS OF MARCH 3, 1915, TO DETERMINE THE FISCAL RELATIONS BETWEEN THE UNITED STATES AND THE DISTRICT OF COLUMBIA.

To the Senate and the House of Representatives of the United States of America:

Your committee, appointed pursuant to the act of Congress approved March 3, 1915, which was in the language following—

"That a joint select committee shall be appointed, consisting of three Senators, to be named by the Presiding Officer of the Senate, and three Members of the House, to be named by the Speaker of the House of Representatives, whose duty it shall be to prepare and submit to Congress a statement of the proper proportion of the expenses of the government of the District of Columbia, or any branch thereof, including interest on the funded debt, which shall be borne by said District and the United States, respectively, together with the reasons upon which their conclusions may be based."

Begin leave to submit the following unanimous report.

The committee met on March 15, 1915, and organized by electing W. E. CHILTON, a Senator from the State of West Virginia, as chairman, and HENRY T. RAINEY, a Representative in Congress from the State of Illinois, as secretary, and on that date recessed to meet at the call of the chairman.

Pursuant to the call of the chairman, the committee met in the city of Washington on October 20, 1915, for the purpose of obtaining all knowledge in its power to obtain touching the question of "the proper proportion of the expenses of the government of the District of Columbia, or any branch thereof, including interest on the funded debt, which shall be borne by said District and the United States, respectively, together with the reasons upon which their conclusions may be based."

The committee was in open session almost every day from October 20, 1915, to November 16, 1915, hearing the evidence and argument of persons appearing voluntarily and persons appearing upon the invitation and request of the committee, and has since had such evidence and arguments under its careful consideration.

Several briefs were filed on behalf of various organizations and by individuals, and many communications from individuals and organizations were received by the committee.

All of this evidence and argument, both oral and written, the committee has ordered to be printed in its hearings and has carefully considered, believing it to be most important for the guidance of this and future Congresses of the United States that a definite finding of facts be made upon the questions presented for determination; and therefore, while the committee was very liberal in affording time and opportunity for a thorough presentation of facts, circumstances, opinions, and views of those interested and competent to give evidence, this was with the sole idea of establishing facts from which just conclusions could be drawn.

Of the two questions submitted to your committee, it first considered the following, viz, what is "the proper proportion of interest on the funded debt, which shall be borne by said District and the United States, respectively," and now submits the following statement with the reasons upon which its conclusion is based.

We find that the interest on the funded debt should be paid by moneys from the Treasury of the United States and 50 per cent charged to the revenues of the District of Columbia and 50 per cent charged to the amount appropriated for the expenses of the District of Columbia from the moneys of the United States.

The "funded debt" consists entirely of 3.65 bonds (so-called because of the rate of interest they bear) of the District of Columbia amounting at this date to \$6,223,000, and of which \$975,408 is paid yearly, one-half by the revenues of the District of Columbia and one-half by the moneys of the United States.

The time of payment of this funded debt extends to the year 1924, but with an annual appropriation of approximately \$975,408 the debt will be fully and completely paid a year or two prior to 1924, and when paid the District of Columbia will have no other funded debt.

This funded debt had its origin in the very extraordinary expenditures for city improvements, principally the establishing, grading, and paving of streets and avenues, the construction of sanitary sewers, the planting of trees, and generally the rebuilding and reequipment of the city of Washington from a then existing deplorable condition of utility and sanitation along the lines of a great National Capital, which it was intended to be and which destiny it is fulfilling.

These expenses accumulated between 1871 and 1874 in very large amounts burdensome upon both the District of Columbia and its citizens, which burdens became fully realized and for which relief was first sought by the act of June, 1874, providing, among other things:

"That a joint select committee shall be appointed, consisting of two Senators, to be appointed by the Presiding Officer of the Senate, and two Members of the House, to be appointed by the Speaker of the House of Representatives, whose duty it shall be to prepare a suitable frame of government for the District of Columbia and appropriate drafts of statutes to be enacted by Congress for carrying the same into effect, and report the same to the two Houses, respectively, on the first day of the next session thereof; and they shall also prepare and submit to Congress a statement of the proper proportion of the expenses of said government, or any branch thereof, including interest on the funded debt, which should be borne by said District and the United States, respectively, together with the reasons upon which their conclusions may be based."

On the 23d of June, 1874, the sundry civil act of that date makes reference to interest on the funded debt, as follows:

"All the above sums, except so much thereof as may be paid for interest, as aforesaid, to be considered and adjudged hereafter as a part

of the proper proportional sum to be paid by the United States toward the expenses of the government of the District of Columbia."

The message of President Grant in December, 1874, contains the following:

"The act of Congress of June 20, 1874, contemplates an apportionment between the United States Government and the District of Columbia in respect to the payment of the principal and interest of the 3.65 bonds. Therefore in computing with precision the bonded debt of the District the aggregate sums above stated, as respects 3.65 bonds now issued, the outstanding certificates of the board of audit and the unadjusted claims pending before that board should be reduced to the extent of the amount to be apportioned to the United States Government in the manner indicated in the act of Congress of June 20, 1874."

The appropriation act of February 1, 1875, contains the following provision:

"That the sum of \$182,500 in currency, or so much thereof as may be necessary, be, and is hereby, appropriated for the payment of the interest on the bonds of the District of Columbia, known as 3.65 bonds, due on February 1, 1875, issued under the act entitled 'An act for the government of the District of Columbia, and for other purposes,' approved June 20, 1874; said interest to be paid by the Treasurer of the United States or the Assistant Treasurer of the United States in New York on surrender of the proper coupons: *Provided*, That the said sum hereby appropriated shall be considered and adjusted as a part of the proper proportional sum to be paid by the United States toward the expenses of the government of the District of Columbia, and toward the payment of the interest on the funded debt of the District."

The act of March 3, 1875 (18 Stats., 343), is as follows:

"To pay on behalf of the United States, as a portion of the general expenses of the District of Columbia, to be expended by the Commissioners of said District, \$1,060,000, only to be drawn as needed for immediate use; and \$300,000 of this sum shall be available from the passage of this act, no salaries to be changed from the standard fixed under the act of June 20, 1874."

"To pay the interest on the 3.65 bonds issued under the act entitled 'An act for the government of the District of Columbia, and for other purposes,' \$185,000; and the salary of the commissioner of the sinking fund, acting as treasurer thereof, shall be \$1,000 per annum."

The debates in the Senate and in the House of Representatives of the United States during the years 1874, 1875, and 1876 substantiate the theory that the interest on the funded debt was then understood by Congress as being paid one-half through District of Columbia revenues and one-half through the General Government.

On January 26, 1875 (vol. 9, CONGRESSIONAL RECORD, p. 749), the following dialogue took place in the House prior to the passage of H. R. 4483, which later became the act of February 1, 1875, from which we have just quoted.

"Mr. GARFIELD. I am instructed by the Committee on Appropriations to report back with an amendment to the bill (H. R. 4483) for the payment of interest on the 3.65 bonds of the District of Columbia. The amendment of the committee strikes out the words 'in coin' after the words 'one hundred and eighty-two thousand five hundred dollars.'"

"Mr. RANDALL. Is there any report accompanying this bill?"

"Mr. GARFIELD. I send to the desk to be read a communication from the Commissioners of the District of Columbia."

"Mr. RANDALL. I wish to reserve a point of order on this bill."

"Mr. GARFIELD. Let the report be read."

"Mr. HOLMAN. It should be understood that the point of order on this bill is not waived."

"The SPEAKER. The point of order will be reserved till the communication has been read."

"The Clerk read as follows:

"OFFICE COMMISSIONERS OF DISTRICT OF COLUMBIA, "January 11, 1875."

"To the Speaker of the House of Representatives:

"The Commissioners of the District respectfully request that the attention of Congress may be called to the necessity of legislative provision for the payment of the interest on the bonds authorized to be issued by the act of Congress approved June 20, 1874, entitled 'An act for the government of the District of Columbia, and for other purposes.' These bonds are generally known as '3.65 bonds.' The act of Congress above cited pledged the faith of the United States to the payment (by proper proportional appropriation and by taxation on property within the District) of the interest on said bonds as well as to the creation of a sinking fund for payment of the principal thereof at maturity."

"The same act of Congress contemplates the ascertainment, through future legislation, of the proper proportion of the expense of the government of the District of Columbia, including interest on its funded debt, which should be borne by the District and by the United States, respectively. This proportion has not yet been determined by the requisite legislation. Upon the funded debt of the District of Columbia, other than the 3.65 bonds, the interest, including that due January 1, 1875, has been paid or is in process of payment out of revenues from the taxes on property in the District."

"At the last session Congress authorized an advance from the United States Treasury for the payment of interest on the funded debt of said District, due July 1, 1874 (the 3.65 bonds not then having been issued), but it was required that the sum thus advanced should be reimbursed to the Treasury of the United States from the treasury of the District, and this reimbursement has been made in full. The 3.65 bonds result, in principal part, from the funding of floating indebtedness of the late board of public works, which was created by an act of Congress, and whose operations were subject to congressional control, and to some extent were independent of interposition on the part of the municipal government of the District."

"After payment from the treasury of the District of the current expenses of the municipal government and of the interest on the funded debt of the District other than the 3.65 bonds, taxes on private property will not afford sufficient revenue to pay any part of the interest on the 3.65 bonds, which falls due on February 1, 1875. It results, therefore, that either congressional appropriation for this interest must be made or that there must be default in the payment of interest to which the faith of the United States is pledged. If the requisite sum be appropriated by Congress, it is advisable that the interest should be paid in the Treasury of the United States and the coupons canceled there. According to law, these bonds are registered in the office of the Registrar of the United States Treasury. It might also be provided that such sum as may be appropriated for this purpose shall be considered and adjusted hereafter as a part of the proper proportional sum to be paid by the United States toward the expenses of the government of the District of Columbia and of the interest on its funded debt."

The "future legislation" contemplated in the report just quoted must be read in connection with the act of June 23, 1874, providing that a "proper proportional sum" shall be paid by the United States, the same "to be considered and adjusted hereafter," and in view of the fact that Congress had already appointed a committee to ascertain what was a proper proportion for the Government to pay, and that the report of that committee was the basis of what is called the organic act of 1878, known as the half-and-half plan.

The following, from the remarks of Senator Thurman, of Ohio, made in January, 1876, in the Senate of the United States, is convincing:

"One word as to this guarantee, and then I will relieve the Senate from any further observations of mine. This guarantee is as plain as words can make it. It was maturely considered, and was a subject of much debate in the committee that reported it. There were Senators who thought it ought to be an absolute guarantee on the part of the Government to pay the interest and also the principal, and all the contractors were clamorous for such a guarantee. The committee would not yield. It would only make a qualified guarantee, and that guarantee was in these words:

"And the faith of the United States is hereby pledged that the United States will, by proper proportional appropriations as contemplated in this act and by causing to be levied upon the property within said District such taxes as will provide the revenues necessary to pay the interest on said bonds as the same may become due and payable, and create a sinking fund for the payment of the principal at maturity."

"This act contemplated that the General Government should pay a proportional part of the expenses of the government within this District, and that proportional part of it was supposed would be ascertained by the joint committee that was to frame a permanent form of government for the District; and here is a pledge that the Government of the United States will pay that proportional part. What it should be was not determined by this act; it was to be the subject of investigation; but whenever found, here is the pledge that the Government would, by payments out of the Public Treasury of its proportional part of the expenses of government in this District, contribute to pay the interest on these 3.65 bonds and provide a sinking fund for the liquidation of the principal."

Reference is also made to the act of March 14, 1876 (19th Stat., p. 211), to the act of July 31, 1876, and of March 3, 1877.

The act of April 30, 1878, was followed by the so-called "organic act" of June 11, 1878, providing for the payment of the debt of the District by definite apportionment of 50 per cent, respectively, to the United States and the District of Columbia.

The Comptroller of the Treasury of the United States, in an official opinion rendered January 3, 1914, on this question, reaches the following conclusions:

"It remains for us, upon the premises thus, as I believe, satisfactorily established, to predicate proper conclusions.

"1. The indebtedness represented by the 3.65 bonds was indebtedness of the District of Columbia and not in any part the indebtedness of the United States and the bonds of the District of Columbia.

"2. To restore the credit of the District of Columbia, make acceptable to creditors of the District 3.65 bonds by a guaranty of payment, and assume the to-be-determined equitable proportion to be contributed by the United States toward the expenses of the District, the United States covenanted with the holders of these bonds that it would provide, by taxation on the property within the District, a portion of the revenues necessary to pay the interest on and principal of these bonds, and that it would provide the other portion, to be determined, by appropriation out of the revenues of the United States.

"3. By the organic act of June 11, 1878, the portion to be provided by taxation on the property and privileges in the District was declared to be 50 per cent and the portion to be apportioned out of the funds of the United States 50 per cent, and that has ever since remained and now is the law.

"4. The liability of the United States to the holders of the 3.65 bonds is therefore that of a guarantor that one-half of the principal and interest of these bonds will be paid out of the revenues of the District, derived from taxation on the property and privileges in the District, and that of a promisor that it will provide for the payment of the other half by appropriations out of the Treasury of the United States.

"I have, therefore, to advise you that under the 'act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes' (37 Stat., 938), payment to be made during said year of interest on and sinking fund for the payment of the funded debt in question should be made, within the limits of the amount appropriated for said purpose, with moneys withdrawn from the Treasury of the United States by the Treasurer in accordance with section 2 of the act of March 3, 1883 (22 Stat., 470), and 50 per cent thereof charged to the revenues of the District of Columbia and 50 per cent thereof charged to the amount appropriated for the expenses of the District from the moneys of the United States and the money so paid should be accounted for accordingly."

On December 15, 1914, the Comptroller of the Treasury rendered another official opinion on this same matter, adhering to and reaffirming his conclusions as last above cited.

It is our opinion that the original intent, the understanding of Members of Congress, the unvarying practice of the years, the provisions of the various laws of appropriation, the law definitely fixing the respective apportionment of payment, and, above all, the justice of the matter as affecting the General Government, the holders of the bonds and the District of Columbia lead certainly to the conclusion that the interest on the funded debt be continued to be paid, 50 per cent from the revenues of the District of Columbia and 50 per cent by appropriation from the moneys of the United States.

The committee next determined the question of the proper proportion of the expenses of the government of the District of Columbia, or any branch thereof, which shall be borne by said District and the United States, respectively.

We find after a most careful consideration of all of the evidence and circumstances as shown to exist at this time that there is no reason for any arbitrary rule of proportionate contribution for the expenses of the District of Columbia by the residents thereof and by the people of the United States who reside outside the District of Columbia; that the correct rule should be that the responsibility in taxation of the residents of the District of Columbia be as fixed and certain as the responsibility of residents of other American cities comparable with the city of Washington; that with the payment of such taxes as may be equitably and properly assessed against privately owned taxable property the financial responsibility of the residents of the District should be concluded; that the present assessment valuation of privately owned real estate in Washington is fair and reasonable; that the sum of money collected as such taxes be paid into the Treasury of the United

States, there to be incorporated into a trust fund for the benefit of the District of Columbia, and that the revenues thus collected be expended in the government of the District of Columbia, and for no other purpose; that the United States pay from its moneys all the balance of whatever sum is deemed necessary to appropriate for the proper municipal expenses of the District of Columbia after consideration of the reports and estimates of the Commissioners of the District of Columbia and the needs of said District; and, as a conclusion, which should be of the greatest weight, we urge upon Congress that its appropriations for the expenses of the District of Columbia should always be in such sum as will not only continue the city of Washington and the District of Columbia in every respect as the splendid and beautiful central residence of this great Nation but also cause it to become and be forever maintained as a model for all the cities of the world.

The Constitution of the United States of America, in clause 17 of section 8, gives Congress the power—

"To exercise exclusive legislation in all cases whatsoever over such District (not exceeding 10 miles square) as may, by cession of particular States and the acceptance of Congress, become the seat of the Government of the United States, and to exercise like authority over all places purchased by the consent of the legislature of the State in which the same shall be for the erection of forts, magazines, arsenals, dockyards, and other needful buildings."

The expressed provision of "exclusive legislation" necessarily makes the control of this body of land, known as the District of Columbia, vest in the National Government and makes this highest national power the government of this Federal District.

Bitter experience in the former capitals of the United States had caused the framers of our Constitution to place its central seat of Government in a location where the national authority would be supreme, where its records and its representatives could be safe from attack, and where, under its own direction, a structural plan for up-building and maintenance could be commenced and continued without interruption by any lesser or local authority.

In fixing the District of Columbia as the National Capital and home of the Government, the Congress did not proceed by capture, condemnation, or any other arbitrary method. It acquired political dominion by cession from the States of Maryland and Virginia and ownership of the land by private contract, and when all of this had been done by mutual understanding and definite written agreements and conveyances from the proprietors of the land it laid out a National Capital and began its construction.

Everyone who has purchased property within the District of Columbia since has done so with the knowledge and distinct understanding that the people of the United States had made the power of Congress over the territory exclusive. Everyone who has since adopted the city of Washington as his home has done so with notice that it was beyond even the power of Congress to escape the burden or evade the duty imposed by the Constitution, and when he became a resident of Washington, or acquired property in the District of Columbia, he put himself voluntarily within the Government reservation and subject to such control as the conveniences and necessities of Congress in administering the National Government and building the National Capital might render necessary.

Senator Southard, of New Jersey, in a memorable report from the District Committee, as early as February 2, 1835, said:

"The design of the Constitution and its founders was to create a residence for the Government where they should have absolute and unlimited control, which should be regulated and governed by them without the interference of partial interests in the States, which should be built up and sustained by their authority and resources—not dependent upon the will or resources of any State or local interest."

This was the grand plan conceived by the fathers of the Government, the wisdom of which grows more and more apparent with the coming and going of the years.

Maj. L'Enfant, who first drew the city's plan, said:

"No nation, perhaps, had ever before the opportunity offered them of deliberately deciding on the spot where their capital city should be fixed or of combining every necessary consideration in the choice of situation, and although the means now within the power of the country are not such as to pursue the design to any great extent, it will be obvious that the plan should be drawn on such embellishment which the increase of the wealth of the nation will permit it to pursue at any period, however remote."

The growth of the city in utility and in beauty has kept pace with the growing strength of the Nation. Its beginning was most naturally restricted because of lack of funds, yet the wisdom of the founders was such that the clearest and broadest view prevailed as a plan for the city which was to be.

It followed the development of other cities, except that the others had as their bases industrial, manufacturing, and commercial enterprises wherewith to build up the city, maintain their public utilities, and provide their people with employment, while the city of Washington has always been practically without manufacturing and with but little commerce, but was the place of government of all the States.

It has always retained its identity as a National Capital and has never become, as other cities have, a mart of trade or of commerce.

It has always retained the plan of development foreseen with the broadest and clearest vision and safeguarded through the years.

A great contribution in patriotism and true citizenship was made by those citizens of Washington who, when the city was extending its limits through natural growth, protested against the varied and indiscriminate platting of land by private owners, and caused to be prepared a plan extending to newly developed territory within the District of Columbia the same plan as that made for the original city, which was adopted; so that now, and for all future time, the beautiful plans of the city of Washington are extended to the outermost limits of the entire District.

Let it not be imagined that the growth in utility and beauty of the city of Washington was without travail, for the early years of 1800 saw it advancing slowly, slowly, but always surely and toward a definite end. At the time of the change from that of town to city Washington was not the Washington of to-day, but is shown to be as of about the year 1871, a city without paving, without proper sanitary conveniences, without proper lighting, with inadequate transportation facilities, lacking in civic conveniences and even necessities.

From 1871 to 1874, through the appointed agencies of the United States, a spirited, even drastic, campaign of improvement in Washington was inaugurated and continued which resulted in the widening, grading, filling, and paving of many streets, avenues, and alleys; the making of new streets, avenues, parks, and boulevards; the building of both storm and sanitary sewers; the planting of many trees; in short, a radical renewal of the entire city, but upon the same plan of civic grandeur which presaged a beautiful Capital City.

This was attended with great expense and assessment made against the District of Columbia and against the owners of property therein, and so oppressive were these imposed taxes and assessments that petitions of remonstrance against the then governing boards were filed with Congress, and committees were appointed to investigate and report upon charges of excessive and needless expenditure and mismanagement of the city's affairs. The controlling civic body under which these expenditures were authorized was the board of public works, this being a part of the so-called Territorial government existing in Washington at that time.

In June, 1874, by authority of Congress, the Territorial form of government was abolished, and District control was placed in the hands of three commissioners, practically the plan now existing, where the two civil commissioners are appointed by the President from among the residents of the District, the third commissioner being a Government engineer detailed for service as commissioner in the District of Columbia.

In 1878 the so-called "organic act" was passed, containing the following legislative provision:

"To the extent to which Congress shall approve of said estimates, Congress shall appropriate the amount of 50 per cent thereof, and the remaining 50 per cent of such approved estimate shall be levied and assessed upon the taxable property and privileges in said District, other than the property of the United States and the District of Columbia."

Under this act the appropriations by the General Government in all the years since 1878 have averaged just about 50 per cent of the expenses of the District of Columbia.

We believe the fact that the national appropriation has averaged half of these expenses is not the result of chance but of design, and that the so-called "half-and-half law," which was conceived as an economic necessity to lift the burden of debt from the oppressed District and its tax-paying citizens, was justified by the exigencies of the time and the conditions of that day. It came into being because the consensus of the best thought of that day was that justice demanded that the Federal Government should definitely come to the aid of the District and its citizens in the payment of this vast debt incurred for public works. This, we think, is the real reason for the passage of the "half-and-half" law.

While there were those in 1878 who doubted the propriety or even the expediency of legislation fixing a certain and definite ratio of contribution by the Government to the payment of the expenses of the District, this act was apparently considered a satisfactory compromise solution of a problem then exceedingly difficult of proper determination by reason of the conditions in the District of Columbia at that time.

But we think that the conditions of to-day and of the few years last past are so different from the conditions of 1878 that this arbitrary rule—a rule of then seeming necessity—need no longer be applied to District appropriations.

Then the District was under a great debt; to-day that debt has been very largely paid, and the next few years will see it completely paid in the manner we have described herein.

Then the District was suffering from the many experimental forms of government which had been tried in successive years almost; to-day the form of government is one of long existence, tried and tested.

Then the population was less than one-half of the nearly 350,000 people who now reside in Washington.

Then the splendid utility and beauty of the city planned on a national base were just beginning to be seen; now the Government has many buildings which are of the very highest standard of architecture, and has laid the foundation, by purchase of additional areas of land, for more public buildings, parks, and reservations.

More and more every year is land being acquired and held for strictly governmental purposes, withdrawn from participation in assessment and taxation.

The increasing needs of the Government in this, its central home, demand, and will continue to demand, more land, more buildings, more reservations.

All of this means that the District of Columbia and the National Government should not be longer on any partnership basis of contribution, but that the National City, the Nation's home, should be a district where the national authority is not only supreme but a district where the just pride of a great people should insist upon its maintenance in a manner most fitting to the dignity of the citizens whose manifestation of central government it is.

Nothing is clearer to us than it never was the intent that this District should bear all the very extraordinary burdens of expense incident to its plan and occupancy as a national city, and any such proposed burden would be most inequitable and unjust now.

But around and about this great workshop of national affairs has grown a city with all the complexities incident to the multifarious utilities of a modern American city.

The rights of the people of the District are to be considered, and we would therefore recommend that the people of Washington pay a tax comparable in assessment, rate, and amount to that tax paid by the residents of other cities similar in population and location to the city of Washington.

This we believe is eminently fair, and there should be no greater exaction in taxation from the people of the District of Columbia.

In seeking to apportion benefits resulting to the General Government and to the citizens and residents of the District of Columbia it is manifest that no line or rule of distinction can be found.

The expenditures of the District of Columbia are for police and fire protection, education, sanitation and health, charities, correction and reform, the care of the insane and the poor, and in each and every one of these specific items of expense both the General Government and the District of Columbia are benefited, but the ratio of benefit is impossible to determine and under our thought unnecessary.

Here, in addition to the Executive and his Cabinet, the Supreme Court and other Federal courts and the Congress of the United States, are over 40,000 employees of the Federal Government. These persons, drawn from every State in the Union with their families, compose a large part of the population of the District.

Here come every day almost thousands of visitors, young and old, to all of whom the lessons of patriotism resulting from a visit to the Nation's Capital result in a higher type of citizenship, and the pride of participation in the affairs of our Government grows stronger with the realization of its latent power and outward dignity and grandeur.

The protection to life and property, the measures to secure health, happiness, and the benefits of education, as well as the measures for the care of the poor and the sick, are beneficial not alone to the actual residents of the District of Columbia, but to all the American people between the great oceans.

The question of taxation in the District of Columbia, while not especially mentioned in the designation of the authority of the committee, is necessarily linked with an inquiry concerning municipal expenses, and therefore we have given it attention.

The report of the assessor of the District of Columbia, as made October 1, 1915, shows that "the total area of the District of Columbia is 69,245 square miles, or 44,316.8 acres. In land it is slightly over 61 square miles and in water about 8 square miles, or about 39,200 acres in land and 5,116 acres in water. The original city of Washington contained 6,111 acres, and Georgetown has about 550 acres, including old additions. About 5,550 acres are contained in all parks, large and small."

The lands in the District of Columbia are assessed triennially and the assessment, beginning July 1, 1914, for the fiscal year 1915, is as follows:

City of Washington and county:

Assessed valuation of land.....\$208,085,318

Assessed valuation of improvements.....182,013,531

Total assessed valuation of real estate in the District of Columbia for the fiscal year ended June 30, 1915.....390,098,849

Personal-tax levy for the fiscal year ended June 30, 1915.....

Personal property, at 1½ per cent.....\$517,962.35

Building and loan associations, 2 per cent on gross earnings.....22,161.76

Incorporated savings banks, 4 per cent on gross earnings, less interest paid depositors.....15,810.11

Electric-light companies, 4 per cent on gross earnings.....75,875.80

Telephone companies, 4 per cent on gross earnings.....71,822.05

Gas-light companies, 5 per cent on gross earnings.....118,240.65

National banks, 6 per cent on gross earnings.....119,398.26

Trust companies, 6 per cent on gross earnings.....132,263.04

Street railways, 4 per cent on gross receipts.....201,570.74

Washington Market Co., 4 per cent on gross earnings from conduits.....465.74

Georgetown Barge & Dock, Elevator & Railway Co., 5 per cent on gross earnings.....256.81

Total.....1,275,827.31

The regular rate of taxation on property in the District of Columbia is 1½ per cent on an assessment of not less than two-thirds of true value. The same report shows the following table of exempt property in Washington:

Assessed value of United States property.

	Land value.	Improvements value.	Total.
Main buildings.....	\$46,071,274	\$59,893,000	\$105,964,274
Institutions.....	17,767,301	23,519,900	41,287,201
Parks and reservations.....	63,307,274	8,974,200	74,281,474
Miscellaneous.....	4,456,661	1,588,950	6,045,611
Total.....	133,602,510	93,976,050	227,578,560

Assessed value of District of Columbia property.

	Land value.	Improvements value.	Total.
Fire department.....	\$121,556	\$359,900	\$481,456
Police department.....	62,477	130,600	193,077
Schools.....	1,785,190	5,425,900	7,211,090
Miscellaneous.....	1,784,566	2,306,600	4,091,166
Total.....	3,753,789	8,223,000	11,976,789

Religious, educational, charitable, and benevolent institutions and all other exemptions.....

10,773,133 14,038,780 24,811,916

Total assessed value of all exempt property in the District of Columbia.....

148,129,435 116,237,830 264,367,265

Total full value of all exempt property in the District of Columbia.....

396,550,898

The report of the auditor of the District of Columbia, made October 13, 1915, shows the following receipts and expenditures:

"RECEIPTS AND EXPENDITURES.

"Cash receipts from all sources for the year amounted to \$15,684,913.70, made up as follows: From taxation, licenses, and miscellaneous sources, \$8,041,529.68; amount paid by the United States as share of expenses of government under the act of June 11, 1878, \$6,118,915.99; temporary advance by United States for special park improvements, \$7,20; trust and special fund collections, including the water fund, \$1,525,360.83.

"Cash expenditures for the year amounted to \$14,845,469.45, of which there was paid from appropriations and general fund \$13,475,109.99 and from trust and special funds, including the water fund, \$1,370,359.46.

"The expenditures from appropriations and general fund of the District, including payments made to the United States for reimbursements for advances, etc., for prior years, are as follows: For general government, \$785,316.70; protection of life and property, including fire and police departments, \$1,920,589.07; health and sanitation, including health department, sewage, disposal, and construction, \$1,174,622.79; highways, including street extensions, improvements, and care of public highways, \$1,671,897.19; charities and corrections, \$1,736,795.22; education, including public schools, special education, and public libraries, \$3,164,308.17; recreation, including parks, playgrounds, and bathing beach, \$638,748.06; miscellaneous, including tax and license refunds, \$346,059.83; public-service enterprises, including markets and water supply, \$192,709.54; interest and debt, including bonded debt and reimbursements to the United States required by the several acts of Congress for advances made in prior years, \$1,844,063.42.

"The expenditures from special and trust fund accounts include payments for general government, \$614.74; protection of life and property, including pay of police and fire pensions and salaries of street

railway crossing police, \$198,238.19; health and sanitation, including cost of sewer construction, \$13,126.39; highways, including cost of repairs to streets incident to cuts made for street railway companies and other corporations and for private persons, plumbers, etc., \$114,923.85; charities and corrections, including payments made through the juvenile court, account nonsupport of abandoned wives and children, \$45,471.84; education, including prize awards in the schools, \$155.85; recreations, including the placing of trees in private parking space, \$876.81; miscellaneous, being principally tax sale and other refunds and redemptions, \$384,721.66; public service enterprises, being principally expenses of the water distribution paid from the District water fund, \$612,230.13.

It is, of course, not the purpose of this committee to act as a board of tax assessment and equalization of property within the District of Columbia, for that work obviously was not intended to be assumed by this committee. But we have heard evidence of tax assessments and tax rates in many American cities, some of this evidence being most instructive, other of it affording interesting comparisons as the conditions resembled or differed from conditions in Washington.

The annual tax in Washington is approximately \$16 per capita.

In the judgment of your committee this is a reasonable tax levy at this time, especially when we consider, as we must, that a large proportion of the population here pays but a small amount of the taxes imposed.

The subjects of taxation in Washington differ somewhat from those of many other American cities. Here, for instance, intangible personal property is not a subject of taxation, and taxes on franchises and earnings of public-service corporations are not classed as personal taxes.

We find from the evidence of fair-minded men, residents of Washington, familiar with real estate values in general, that the present assessment of real estate for taxation is fair and reasonable.

We are perfectly aware that many discrepancies may appear even in the best regulated assessment plan and instances of inequality may be found in the present assessment in Washington, but taken as a whole, the assessments made against all classes of property in the different locations in the city are equitable.

An examination of the assessments in some former years leads us to believe that in those years many of the tax valuations were too low and that then many more inequalities of taxation existed than now, and that under the present assessment an earnest and honest effort has been made to adjust assessments for taxation, so that substantial justice may be done to all concerned.

The committee believes that independently of the question of what should be the proper subjects of taxation in the District of Columbia, the payment of taxes on real estate from the assessments as they are now constituted is a fair and reasonable response in such taxation for municipal benefits received by the citizens of the District.

It is our opinion that the revenues derived from taxes assessed and collected in the District of Columbia and paid into the Treasury of the United States should be used for the expenses of the District of Columbia alone and that all of the balance of money necessary for the government of the District of Columbia, the maintenance of all proper utilities, the expenses due to natural growth and development, and the construction of necessary bridges and aqueducts, the erection of buildings and monuments, the purchase of parks, all things now necessary to a modern city, should have their highest and fullest expression here, this made possible by participation of all the people of all the States in the maintenance of the Nation's city.

In connection with the subject of local taxation in the District of Columbia, the committee is fully mindful that there was no expressed delegation of authority for it to investigate and report any change in the proposed taxing system which it might find would be beneficial, and therefore, while we believe there should be a proper tax on inheritances in the District and some changes and reforms of procedure in the office of the assessor of the District of Columbia, we prefer to submit these views later and in different form as individual expressions.

Our unanimous conclusion is that the rate of taxation in the District should be fixed and certain; that the Congress should pursue a definite policy of regular and liberal appropriations, having in view not only the permanent moral and physical advancement of the city, but also its preeminent beauty and grandeur as the municipal expression of the Nation's home and its people's pride.

W. E. CHILTON, Chairman.
WILLARD SAULSEURY.
JOHN D. WORKS.
HENRY T. RAINEY.
WARREN GARD.
HENRY ALLEN COOPER.

Mr. WORKS. Mr. President, I desire to submit a separate statement in connection with the report made by the chairman of the committee. As a member of the committee I desire to submit a statement of my separate views. They are not at all in conflict with the conclusions reached by the committee, which I am glad to say are unanimous, but give some additional reasons that appeal to me in support of those conclusions. I ask that this statement may also be printed in the Record in connection with the report.

The VICE PRESIDENT. Without objection, it will be so ordered.

The statement referred to is as follows:

ADDITIONAL VIEWS OF MR. WORKS.

To the Congress of the United States:

While I agree with the other members of the committee upon the ultimate question to be determined and have signed the general report, I have felt constrained to express my own views on the subject separately in order, principally, to give my reasons for the conclusions I have reached.

The bill raising the committee provides, "whose duty it shall be to prepare and submit to Congress a statement of the proper proportion of the expenses of the government of the District of Columbia, or any branch thereof, including interest on the funded debt which shall be borne by said District and the United States, respectively, together with the reasons upon which their conclusions may be based."

Evidently, the imposition of duty upon the committee in this form proceeds upon the theory that there are within the territorial boundaries of the District of Columbia two distinct corporate or govern-

mental organizations, each of which is responsible in part for the administration of the District and liable for a portion of its expenses. Nothing could be further from the truth. The District is the Capital of the Nation. Congress is by the Constitution given complete and exclusive jurisdiction and control over it. Being exclusive, this power can not lawfully be delegated to any other municipal organization or body. In fact, none of this power or jurisdiction has been delegated to the District of Columbia. It is a nominal municipal corporation only, without officers, without authority, and without any function whatever to perform as such. The so-called District officers are appointed by and are, in fact, the officers of the National Government. It can make no laws, but is governed wholly by laws enacted by Congress. Its treasury, so-called and mentioned so often in appropriation bills, has no existence in fact. It has no money and no power to collect any. Its nominal officers, who are, in fact, officers of the Government, are only instruments of the Government for the levying and collection of taxes from property owners within the District. It can not make appropriations or pay any of its expenses. The money collected as taxes from property owners is not paid into the treasury of the District, because it has none, but into the National Treasury. It is not paid out by the District, but by the Treasurer of the United States upon the order of Congress. The title to some of the property in the District is held in its name; but the property belongs to the Government and is held by the District as a mere naked trustee, without power or control over it. In short, the nominal municipal corporation of the District of Columbia is a mere shell, without any authority, power, or responsibility, and without any of the attributes or functions of a municipal government. It is worse than that. It is a delusion and a snare. It has led the people of the District to believe they have a local government that is some shield and protection to them as against the power of Congress, and at the same time has led some Members of Congress and people outside of the District to believe that the National Government can divide the responsibility of maintaining, building up, and beautifying its own Capital with such a local government. The situation is wholly misleading and hurtful.

This bill directing the committee to ascertain the proper proportion of the expenses of the Capital to be borne, respectively, by the Federal Government and the District of Columbia is founded upon a wrong impression of the conditions as they exist, and is itself misleading. The District of Columbia never has been liable for any proportion of the expenses of the District, and never can be properly. It has never paid any part of the expenses, and probably never will. Its nominal officers, who are in fact the officers of the Government, have collected taxes from private individuals within the District and paid them into the National Treasury, without any responsibility or liability of any kind on the part of the District as a municipal power or entity. Obviously, therefore, the real and only possible question before the committee is not what proportion of the expenses of the District shall be paid by the District of Columbia, but what proportion of such expenses to be paid by the National Government shall be raised by taxation of the privately owned property in the District.

This involves, necessarily, the question whether the so-called half-and-half system now in force shall be continued in force and, if not, whether any other proportion as between the taxpayers and the Government shall be fixed.

In my own mind I have reached the following conclusions, for which I shall give my reasons and which I submit to the consideration of Congress:

1. The District of Columbia should convey to the United States all properties held in its name and the United States should assume and pay the debts standing against the name of the District.
2. The municipality of the District of Columbia should then be abolished, the territory of the District designated the City of Washington, and its affairs controlled and administered directly by the National Government.
3. The rate of taxation and basis of assessment should be reasonable as compared with other comparable cities.
4. All moneys derived from taxation should be paid into the National Treasury, to be applied to the payment of the expenses of the District, and the half-and-half system abolished.
5. The National Government should be wholly responsible for the conduct and support of its Capital, and all appropriations therefor should be made from the National Treasury without regard to the amount derived from taxation for that purpose.
6. All special assessments or charges against privately owned property for the opening or improvement of streets or other public improvements should be abolished and all laws providing therefor repealed.
7. The right to prosecute actions against the District of Columbia for past and future causes of action should be allowed as against the United States.
8. The residents of the District should be given representation in Congress and the right to select their representatives and to vote for presidential electors.

SHALL THE DISTRICT OF COLUMBIA BE ABOLISHED?

I need say but little more on this branch of the subject. I have shown that practically the District of Columbia is a mere name without authority or responsibility. This is the Capital of the Nation for which the Nation alone is responsible. It must be apparent that there can be no divided authority or responsibility. I think the Government should once for all take over its own Capital and provide for and maintain it. And the name of it should be changed. To call the Capital of the country a "district" is incongruous and anything but pleasing. It should be made the City of Washington. Commissioners of the City of Washington should be appointed as a branch of the Government with authority within proper limits to manage and control its affairs. The commissioners should be Government officers and responsible as such. I am convinced that they should be given much broader and more comprehensive power and authority in dealing with local affairs than the District Commissioners now have. Provision should be made by Congress for a complete readjustment of conditions in the District. The laws regulating assessments and collection of taxes are badly in need of revision. So, I have no doubt, are other laws affecting District affairs.

The District of Columbia as a municipal corporation, as I have already pointed out, is worse than useless and should be speedily abolished.

SHALL THE HALF-AND-HALF SYSTEM BE ABOLISHED?

It may well be inferred from what I have said that in my judgment there should be no half-and-half system nor any other proportionate liability for the expenses of the District of Columbia as between the

District and the Government. It is the Capital of the Nation over which the Government has full and exclusive jurisdiction and control. Its obligations and responsibilities should be equally broad and exclusive. It can not either lawfully or justly transfer any part of its duty or responsibility to the so-called municipality, the District of Columbia, or anybody else. It should have no wish or desire to do so. But that is just what it has attempted to do by the act of 1878, by which the half-and-half system was established. Congress fixes by law the tax rate and the basis of assessment and then matches what is raised by taxation, dollar for dollar. So Congress not only shifts half its responsibility to the taxpayers of the District, but limits its own responsibility by the amount thus raised.

The so-called organic act, after requiring the commissioners to estimate the amount necessary to defray the expenses of the District, provides:

"To the extent to which Congress shall approve of said estimates Congress shall appropriate the amount of 50 per cent thereof, and the remaining 50 per cent of such approved estimates shall be levied and assessed upon the taxable property and privileges in said District other than the property of the United States and of the District of Columbia."

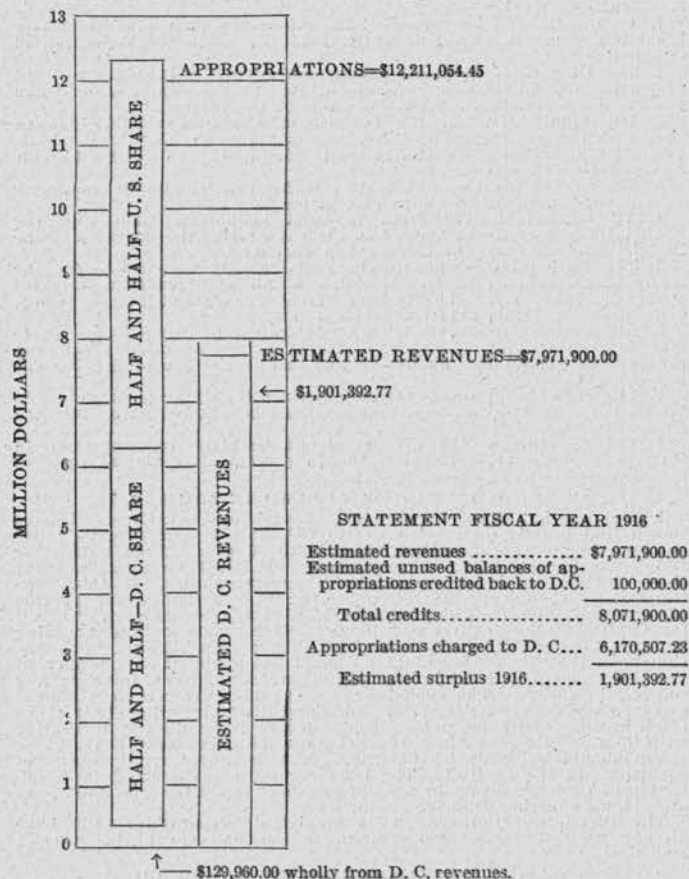
This clause of the act expressly limits the amount to be appropriated by the Government to 50 per cent of the amount estimated. It was contended at the hearing that there was no limit upon the amount that might be appropriated by the Government. But this is in the very face of the law and can not be maintained without doing violence to its express and unambiguous terms.

This system may have been justified at that time as a compromise, and as a means of extricating the District from a very unfortunate condition, but that reason no longer exists and there is no reason or excuse for even its nominal continuance.

But, as a matter of fact, the half-and-half system has never been in effect in any practical sense. The amount of taxes to be assessed and collected has never been founded upon the one-half of the expenses of the District. On the contrary, as I have said, Congress has fixed the rate of taxation at \$1.50 a hundred and the basis of assessment at not less than two-thirds of the true value of the taxable property. The needs of the District have nothing to do with the amount raised. If it happens that the amount raised by taxation, on this fixed basis, matched by an equal amount contributed by the Government, exceeds the needs of the District for the year there must be a surplus. If it falls short of the needs of the District, then the District must go without and suffer the consequences. And the fact is that the estimates for the expenses of the District are founded on the previous revenues raised by this hard-and-fast system of taxation and not by the actual needs of the District. It is an illogical and unjust system, whatever proportions may be fixed, and is wholly indefensible.

The effect of this method of meeting the expenses of the District is clearly shown by the following chart furnished me by the auditor of the District:

DISTRICT OF COLUMBIA APPROPRIATIONS AND REVENUES, FISCAL YEAR 1916.



November 27, 1915.

A. TWEEDALE,

Auditor, D. C.

This shows that the estimate of revenues to be derived from taxation for the fiscal year was \$7,971,900. If the appropriation had been double this, as the half-and-half system requires, the amount appropriated would have been \$15,943,800. Instead of that the total appropriation, which we must assume to have been what the District needed, was \$12,211,054.45. The people of the District should have been taxed for one-half of this amount and no more, namely, \$6,105,527.23. But, instead of that, by reason of the hard and fast \$1.50 a hundred and assessment at two-thirds value, they were taxed for \$7,971,900. Besides that, the District was entitled to a credit of \$100,000, as shown by the chart, making its contribution \$8,071,900. So, as shown by the chart, the people of the District were taxed for \$1,901,392.77 more than their one-half. It may be said that this will be equalized some time in the future by an excess appropriation out of Government funds, but this does not meet the case by any means. Unless the rate of taxation or the amount of assessment is changed the people will, unless Congress is more liberal in its appropriations, be taxed beyond their one-half liability.

What the National Government should do is to treat the District as what it is—its own Capital—and take full responsibility for everything it needs or should have as the seat of government of a great and prosperous Nation, without regard to anything that may be derived from private individuals in the way of taxes or otherwise. It should pay its own money to support its own Capital. To enter into a partnership with a sham corporation to raise money to support its own Capital is too absurd to think about.

It does not follow, however, that the property owners within the District should not contribute toward its support. They should be taxed a reasonable amount for the support of the District in return for the benefits they receive from the government of it and no more. The amount of their taxes should not be measured by the needs of the District. Their taxes should be paid into the National Treasury and applied to District expenses, but the amount thus realized should in no way limit or control the amount to be expended by the Government for the support, maintenance, upbuilding, and beautification of the seat of government.

When the so-called organic act of 1878 was under discussion in the Senate, Senator Bayard, speaking of the half-and-half provision and of the peculiar conditions of the City of Washington, had this to say:

"If it is to be, as I think it ought to be, a Federal city worthy of the great Nation whose seat of government it is, then it seems to me that by far the greater portion of the expense must be borne by the Federal Government and not by the local inhabitants. Is it just that one-half of the expenses of these broad avenues, of these extensive improvements, of these luxurious streets is to be borne by the local inhabitants? It seems to me that it is unreasonable. I do not think they can bear it."

"This town is the mere center and habitation of the employees of the Government, the clerical force of the departments, people who are swept in and out of their offices by the ebb and flow of the power of political parties, strangers who come here during the sessions of Congress for a few days or a few weeks, or Members of Congress, whose interests and whose property lie entirely elsewhere."

"I want to ask the honorable Senator who has charge of this bill whether it is just that the people of Washington City shall pay the proportion of one-half of this expensive government in regard to the scale of which they never were consulted, in regard to which property that is to be taxed never was considered, or whether the fraction should not be much less."

And, in speaking of the expense of maintaining and keeping up the streets, he said further:

"That will entail an enormous expenditure, which, having some experience in regard to the expenses of that kind, I would say the local population of Washington are totally unable to bear. The property will not bear it; it is not worth it. If it is to be paid, it must be paid out of the Treasury of the United States, from which, in my judgment, it ought to be paid, because the laws contracting the expense and authorizing the outlay were passed without consultation with or without sufficient consideration in any way for the people whose property lies here."

"Is it just and right that they should be called to pay one-half the expense of this scale of adornment and improvement, intended not half so much for their use and delectation as for the use of those who come here and pass away after a few weeks' stay? I submit that it is a very grave and very fundamental question in this bill whether this equal division of the expense is just or right."

In January, 1896, a bill was introduced in the House of Representatives to repeal the half-and-half provision of the act of 1878. On May 22 of the same year, in a report of the Committee on the District of Columbia against the bill, this was said:

"The six millions expended annually upon the Capital are not enough to meet the current reasonable and increasing municipal needs. The three millions contributed by the local taxpayers would be inadequate to sustain the National Capital as it now exists, or to keep it in line of natural development. One million of the three would be absorbed in interest and sinking fund upon the heavy debt; the greater part of another million is demanded for the schools, the District having no public-land grant to help it like those enjoyed by many of the States. The remaining million would have to meet such expenses as maintenance of the police, fire, and health departments; the construction and maintenance of municipal public works; the support and maintenance of charitable and reformatory institutions; the cleaning of streets; and the general cost of administration. And how they would be met may be imagined when it is remembered that over \$3,500,000 are now expended upon these objects, and that the present appropriations are inadequate in respect to many of them."

"Nothing is more conspicuous in all the early utterances of our Presidents and public men than their insistence upon the nationality and the permanence of the City of Washington as the Capital. Why did Washington call it so continually, 'the Federal City' if it was to be only a mere municipality?"

On March 6, 1901, the Senator from New Hampshire [Mr. GALLINGER] introduced in the Senate a resolution directing the Committee on the District of Columbia to investigate the tax system in vogue in the District. In speaking of that question, Senator Hoar said:

"It seems to me that there is just one simple principle that ought to be applied to the residents of the District of Columbia. We should

ascertain the average rate of taxation in well-ordered American cities, whether it be \$1 on the thousand or \$10 on the thousand or \$15 on the thousand, or whatever sum, and then apply that to the personal property and real estate of every resident here.

"When that is done, with such exemptions as experience suggests in all like cases, the Government should pay the rest of the reasonable expenses of this District. I do not think that having one-half paid by the District and one-half paid by the Government has any scientific merit whatever. There is nothing in reason why it should be one-half rather than two-thirds or three-fourths. The Government is a great property owner here, and the credit of the City of Washington is the credit of the Nation. It is the National Capital, and it is the great national interest to have a well-ordered and beautiful and well-ornamented and arranged city here."

Senator Blackburn, who supported the act of 1878 and whose statements in its favor are often quoted in the briefs of the committee, was a witness at the present hearings, and gave his reasons for thinking that the half-and-half system that he then favored should not be continued in force under present conditions. He said:

"After a good deal of time was spent and the fullest investigation and research possible at that time was made, it seemed to me that the act known as the permanent form of government bill, the act of 1878, was proximately a fair adjustment of those questions. I did not believe at that time that the individual taxpayer here in equity should bear one-half of the expenses incident to the maintenance of this District. I believed it was an approximation to equity. And I not only believed but I was absolutely sure that that was the best that could be obtained for the property holders of the District at that time. Consequently, I favored the adoption of what was known as the half-and-half payment of municipal expenditures."

"If the half-and-half division of the expenditures was fair in 1878, it certainly is not fair now. For 36 years there has been a shifting of the holdings of real estate in this city, and those changes have always been one way. I am not aware of the fact that the Government has ever parted with a foot of real estate in the last 36 years. We only need to look out here to see the conclusive evidence that the Government for 36 years past has been acquiring additional real estate here, and to that extent disturbing the equilibrium on which that act was based."

"I do think, if the people of the District, the taxpayers, the property holders here, were paying their fair proportion of the expenditures in 1878 they certainly are paying more than their fair proportion of these expenditures now. We have seen all this property acquired by condemnation proceedings here between the railway station and the Capitol, and a much larger body of land down south of the Avenue acquired in the same way. The status of 1878 no longer exists now. For that reason I believe that the time has come to abolish the 50 per cent division of expenses between the private property holders and the Federal Government."

"There are other reasons that commend themselves to my judgment. I do not believe that the Federal Government ought to be in a business partnership with anybody. I do not think it comports with the dignity of a Nation of 100,000,000 people to maintain a business partnership with those who pay taxes in this District."

"I do not believe that any man should be benefited by or penalized because of his living in the Capital City. I think the property holders here ought to pay a fair, just tax upon their holdings. Congress has the absolute power over this District. Its control is not limited; its responsibilities ought to be as limitless as its power and authority. I believe that that partnership ought to be dissolved. The law of 1878 has stood the test of experience for more than one-third of a century. It has lasted longer than I thought it would endure at the time of its enactment."

"I think an unprejudiced, fair judgment would declare that it has not only lasted longer but has answered the purposes of its enactment better than was contemplated at that time. The people have had a satisfactory form of government now for all these years. It has never been the policy of the United States to carry business partnerships. There never was an insurance policy held upon any of its property by the Federal Government. There is not a public building here, including the Capitol, that has ever been insured. The Federal Government deems itself able to carry its own risks, and it has never patronized private corporations in the shape of insurance companies."

"I believe that Congress should fix the rate of taxation to be paid by the people who live in this city, without the slightest regard to its being the Capital of the country. I believe those taxes should be collected and covered into the Federal Treasury, and that every penny expended for the maintenance, ornamentation, extension, and development of the city of Washington should be appropriated directly out of the Federal Treasury."

"I know it is objected to by some that in that event probably Congress would be parsimonious in its appropriations and that the development and extension of the city upon broad plans would be halted. I have no sympathies with those apprehensions at all. I speak in the light of the experience of one who for a third of a century was a Member of one House or the other of Congress. I do not believe there is a more responsive set of men to public sentiment to be found in our country than those who are seated every two years in the House and every six years in the Senate. To charge a cheese-paring policy in its appropriations for this Federal Capital is to impeach the patriotism of 100,000,000 people, and I have no sympathy with that impeachment effort. I believe that the people of this District should pay a legitimate, fair taxation upon their holdings, that to be determined by Congress. The Constitution of the United States puts this District completely at the mercy of Congress, and I would not alter that condition if I could. I believe those taxes should go into the general fund of the Federal Treasury without any regard to the location here in Washington, and I believe that the Capital City should be maintained, enlarged, embellished, and developed by appropriations direct from the Federal Treasury."

"Until this partnership is dissolved, I see no way to escape the constantly recurring wrangles that you are treated to every time Congress meets and an appropriation bill for the District is considered. There naturally will be varying views held by Members of the House and Members of the Senate as long as this lasts. I think it eminently desirable to get rid of these constantly recurring clashes in Congress, and I confess my inability to discover any method by which they may be eliminated and avoided so long as you keep this partnership between the individual property holder in the District of Columbia and the Federal Government."

It is perfectly evident to my mind that the Capital can not be properly maintained under the half-and-half system. Under that system either the taxpayers must be overburdened with taxes or the necessary,

the vital, interests of the city must be neglected in the future, as I shall show presently they have been in the past, under the system."

So much for the general principles that I think should control in dealing with the District. But there are other strong and controlling reasons why the partnership, the divided responsibility between the Government and the District, should be brought to a speedy termination. It has been anything but beneficial to the District, as I shall attempt to point out.

The whole question in the hearings and elsewhere has been presented entirely as a matter of dollars and cents. The Government has been placed in the unfortunate and humiliating position of trying to get rid of its responsibility to take care of its own Capital and shove it off onto somebody else. It has been met with the claim that if the half-and-half system is not continued, Congress will not appropriate money enough to properly carry on the affairs of the seat of government over which it has exclusive control. It was a nice spectacle for the American people. And more unfortunately still, this claim that the Government would, through its Congress, neglect to care for the Capital is not by any means without foundation. It did do it, as the hearings clearly disclosed, before the half-and-half system went into operation. It has continued to do it, however, while the half-and-half system has been in force, as I shall presently show. So the half-and-half system has not remedied the evil.

The question submitted to the committee by the bill which created it is also purely one of dollars and cents. The hearing proceeded upon that theory. The effect of the limitations of the half-and-half system on the moral and social conditions of the District and upon the means of preserving the health of its people received no consideration, and the neglect to preserve the beauty of the City of Washington, the regulation of its buildings, improvement of its streets and other important public works very little. So but little will be found in the record of the hearings on these important questions. But we are asked to give our reasons for the conclusions we reach on the main question submitted to us, and I am going to give some reasons that have led me to the conclusion that there should be no divided responsibility in dealing with the social and moral welfare of this Capital, and that the Government should assume the burden and be wholly responsible for every interest of the people in the District and the managements of its affairs. I am going to call attention to some of the things that should have been done under the half-and-half system that have not been done. The proof of what I shall say will not be found in the hearings, but it is ample and satisfactory.

THE SLUMS.

The American people want their Capital to be clean, decent, respectable, and healthful, as well as beautiful on the outside. It has fallen far below this standard under a system of government where Congress can shift its responsibility onto the District of Columbia, a spineless and irresponsible municipal body. Under this system the slums, the red-light district, the saloons, and unwholesome and insanitary conditions have been allowed to flourish. Crime, vice, corruption, and death have devastated portions of the city that could and should have been protected from such conditions. From time to time feeble and ineffectual efforts have been made through inadequate laws to remedy these evils. The better class of people in the District have done the best they could with the insufficient weapons provided them by Congress to ameliorate the conditions and protect the poor people who suffer from them the most, but to a discouraging degree it has been a hopeless task. It is not wholly the fault of the people of the District that these conditions continue down to the present day. Neither is it the fault of the District officers. The chief reason for it is that Congress has failed to enact the laws and appropriate the money necessary to abate these crying evils, though often urged to do so.

In his message to the Fifty-ninth Congress President Roosevelt said:

"The National Government has control of the District of Columbia and should see to it that the City of Washington is made a model city in all respects, both as regards parks, public playgrounds, proper regulations of the system of housing so as to do away with the evils of alley tenements, a proper system of education, a proper system of dealing with truancy and juvenile offenders, a proper handling of the charitable work of the District. Moreover, there should be proper factory laws to prevent all abuses in the employment of women and children in the District."

Pursuant to this recommendation, the President appointed James Bronson Reynolds, of New York, to investigate conditions in the District and report to him, with such recommendations as suggested themselves to him. In his letter asking Mr. Reynolds to act as adviser in the matter he said:

"I wish your investigation to terminate in definite, practical recommendations to me with reference to the city's present needs and most notable defects, measured by the highest standards of good administration in this country and elsewhere."

I shall call attention to Mr. Reynolds's report and recommendations a little later. President Taft, dealing with this subject in his message to Congress of December 6, 1910, has this to say:

"Fair as Washington seems, with her beautiful streets and shade trees, and free, as the expanse of territory which she occupies would seem to make her, from slums and insanitary congestion of population, there are centers in the interior of squares where the very poor, and the criminal classes as well, huddle together in filth and noisome surroundings, and it is of primary importance that these nuclei of disease and suffering and vice should be removed, and that there should be substituted for them small parks as breathing spaces and model tenements having sufficient air space and meeting other hygienic requirements. The estimate for the reform of Willow Tree Alley, the worst of these places in the city, is the beginning of a movement that ought to attract the earnest attention and support of Congress, for Congress can not escape its responsibility for the existence of these human pest holes."

In pursuance of recommendations made by Mr. Reynolds, President Roosevelt appointed a commission of 15 of the leading citizens of Washington to deal with the subject.

That commission made a full and exhaustive report of conditions, with its recommendations. This report first quoted from Mr. Reynolds's report, as follows:

"The report of Mr. James Bronson Reynolds, referred to in the President's letter as the basis of his action, is as follows:

"REPORT ON THE HOUSING OF THE POOR IN THE DISTRICT OF COLUMBIA, ESPECIALLY IN RELATION TO INSIDE TENEMENTS."

"As you directed me to give particular attention to the housing problem, I visited and examined between 350 and 400 tenements, shacks, and small houses in various sections of Washington and George-

town and inspected numerous alleys. I talked with their occupants and conferred with many citizens of the District, both white and colored, including representatives of trade-unions, to obtain their views regarding housing conditions.

"In my investigation I found three distinct problems—that of small houses, that of alley shacks and alley houses, and that of inside alleys.

"I found nearly all the alley wooden shacks and small brick houses that I visited in a wretched condition. The wooden shacks, as a rule, might properly be condemned on structural grounds. Their yards were apparently storage places for refuse and filth, their water supply inadequate and badly placed, and the privies frequently only open boxes, and in many instances without covers, although the latter are required by the health ordinance. I am glad to state that during the past year many of these box privies have been removed.

"I had conversation with the dwellers in these inside shacks, and the comments of many may be fairly summarized in the pathetic remark of an old colored woman, who exclaimed with reference to her neglected, filthy yard and privy, 'Why, my old marsa wouldn't ha' kep' his horses stabled in such a place.'

"No argument is needed to show that such ill-conditioned hovels are culture beds of disease, the germs of which may be carried far and wide by the flies which feed on the rotting garbage and excreta. Their number should be promptly ascertained and immediate steps taken for their complete elimination, and buildings constructed in their places should have proper sanitary appurtenances and should open either upon a highway or small street.

"A particularly undesirable and menacing feature of the poor quarters of Washington is the inside alleys. These alleys are centers of disorder and crime, and they make possible the continuance of small communities uncontrolled by ordinary police inspection and unaffected by public observation and criticism. In my opinion, all inside alleys, with the exception of service alleys, should be abolished, and a definite scheme for the accomplishment of this object should be adopted.

"A law passed by the Congress in 1906 appropriated \$50,000 for the expense of condemnation proceedings in the substitution of minor streets for alleys, but a recent decision of the Supreme Court of the District of Columbia has interposed fresh difficulties by declaring unconstitutional the assumption of the law that the entire cost of opening small streets as substitutes for alleys should be assessed upon the adjacent property owners. I am not prepared to make any specific recommendations to meet this new difficulty, but to urge that it be not allowed to prevent the abolition of inside alleys."

The commission then proceeded to report the result of its own investigations, make recommendations, and point out the obstacles that prevented effective work, including reports of its subcommittees. From this long and exhaustive report I extract the following:

"A SERIOUS OBSTACLE TO THE CONVERSION OF ALLEYS INTO STREETS.

"The law passed July 22, 1892, and amended on August 24, 1894, prohibited the erection of dwellings in alleys less than 30 feet wide and imposed restrictions which hindered the building of any more alley houses. It also provided for the conversion of alleys into minor streets, but nothing of importance seems to have been done under this law until the committee on improvement of housing conditions took the matter up a year or more ago with a demand that the change be made in certain typical alleys. This led the commissioners to appoint a committee of District officials to advise them as to the opening of minor streets, and cases were taken up as rapidly as they could be properly handled until, up to the present time, the opening of 12 such streets has been recommended. Two of these have been confirmed by the courts and three other cases are pending in court. The commissioners are proceeding as rapidly as possible in the other cases, but the conflict with private interests led to litigation, and a decision by the Supreme Court of the United States on March 11 last, which declared it illegal to assess all the damages on certain property, as the law provides, unless it is found to be benefited to that extent. Although the commissioners are continuing to prepare and present cases they can not, under the law, approve the verdict in any case unless the benefits as assessed equal the damages and expenses."

Mr. Thompson, in his Housing Handbook, says of private enterprise:

"It has been assumed by thousands who ought to have known better that private enterprise, unstimulated, unregulated, unassisted, undirected, has hopelessly failed. It has left us face to face with a very deficient supply; it has given us the old slums; it has given us only often acres and acres of new slums in the suburbs, Jerry-built brick boxes with slate lids dumped down on dust heaps and put up mainly with the object of getting a quick profit in the few years which will elapse before they degenerate into slum dwellings almost as bad as the old ones in our midst. Where the new houses are well built and on good sites they are of an unsuitable type, and the rents are so unreasonably high as to be beyond the means of one family, so they have to be sublet to other families, and thus by overcrowding, with the increased wear and tear following in its train, they rapidly deteriorate and leave the housing of the mass of the people as bad in many respects as it was before. The product of private enterprise, then, is insufficient in quantity and inferior in quality.

"In the report of the health officer for 1875 it was noted that during the year 699 houses were reported as unfit for human habitation and 198 condemned by the board. In 1876, 424 houses were reported and 371 condemned, and in the report of the board of health for 1877, page 46, we find:

"No meaner cabins for temporary or permanent shelter can be found than some where wretched poor are born and exist and die in, here at the Capital of the United States. And, strange as it may seem, none so mean that they have not an owner mean enough to charge rent for them. Down in the alleys, below grade, with combination roof of tar, felt, shingles, rags, tin, gravel, boards, and holes; floors damp and broken; walls begrimed by smoke and age; so domiciled are families with all the dignity of tenants having rent to pay. The board has condemned 153 such during the past year and 958 during the past four years, of which probably 300 have been entirely demolished. But many owners still cling to the wrecks.

"Our experience in dealing with filth, crowd poison, and disease among these people during the past four years has taught us that the

great public economy, viz. the preservation of public health, is defeated by allowing these filthy, worthless, dependent classes of humanity to congregate in the alleys and byways out of sight, and therefore out of mind, until direful epidemic, incubated and nourished among them, spreads its black wings over the homes of the whole city. Better far to provide for the aged and sick in public institutions of charity, the vagrant in the chain gangs, let the cost be what it may, than to allow them to remain propagators of public disease, an incalculable expense to the District."

This report was made at the close of the year 1908. In April, 1903, the Washington Post said editorially:

"WE HAVE SLUMS OF OUR OWN.

"An English gentleman, who is also a philanthropist and a student of sociology, has been looking into the slums of Washington. Ten years ago he visited the Capital, but on that occasion saw only our splendid public parks and beautiful private residences. (Just like a very large majority of Washingtonians and visitors.) He returned to England convinced that Washington was the long-looked-for model city. Now he pays a second visit, and this time he goes behind the scenes. The result of the investigation is an amendment to the gentleman's original estimate. He finds that while our areas of squalor and degradation are not as numerous or so extensive as those of London, they are in many instances much more appalling. On this point he says:

"This time I came to see the worst that was to be seen, and it has been a revelation to me. I have seen rooms with half a dozen or more people living in them. I have seen buildings that would be condemned and torn down in London if they were inhabited only by a coster's donkey. Walls tumbling down, floors rotten, ceilings and walls falling in, little yards and outbuildings filled with rubbish and dirt, and absence of all sanitary arrangements. Within a stone's throw of the British Embassy, in an alley, there are hovels that are not fit for pigs to live in. Within the shadow of the Capitol there are others. On Factory Hill and in the holes around the canal in Georgetown there are frightful places full of filth and the direst poverty, where disease and crime must breed rapidly."

In December of that year Jacob Rills, in an address delivered at the First Congregational Church of Washington City, had this to say on the subject:

"I am not easily discouraged. But I confess I was surprised by the sights I have seen in the National Capital. You people of Washington have alley after alley filled with people you know nothing about. There are 298 such alleys. They tell me the death rate among the negro babies born in these alleys is 457 out of a thousand before they grow up to be 1 year old. Nearly one-half! Nowhere I have ever been in the civilized world have I heard of a death rate like that. Why, I have never seen places like those you have here."

"To fight your slums you ought, first of all, to acquire the right to deal with the evil man who insists on murdering your babies. But you are sure to run against the old cry of 'Property rights.' One-half your children die in hovels before they reach the age of 1 year, because the owners would rather have 25 per cent profit than save their souls. For such a condition there's no defense. Where does the blame lie? With the owners of the slums, you will probably say. But it lies equally with the community which permits such a shameful and sinful condition of affairs to exist within its borders."

In commenting on this address the Washington Times said:

"This indictment of a community which has no slums; this astounding disclosure of a condition not paralleled by the squalor of New York or London or Paris was the key last night to one of the most remarkable meetings held in Washington in many years. It was the judgment of a trained mind delivered after a trip through the Capital and expressed with manly courage and plain speech to an assembly of representative Washingtonians."

Under a more recent date the Times, in an extended editorial on slum conditions, said:

"The thing needed here is such an education of the commercial instinct that owners of houses in the poorer neighborhoods will cease to expect extraordinary percentages in their investments."

"It has been proved by investigation that the poor can be comfortably housed in clean, sanitary dwellings which will pay from 7 to 10 per cent on the investment, if well managed. It has also been ascertained that the profits on much of the old-fashioned tenement and shanty property ran from 10 to 20 per cent and even higher. This means that a few property owners are content to make money at the cost of the poor and at the risk of endangering the whole community through the disease and filth bred in their property. The way in which this kind of piracy can be avoided lies, first, in strictly enforced laws which will prevent overcrowding and insanitary buildings absolutely."

Now, let us see how far the conditions have improved since that time. During the year 1910 strenuous efforts were made to secure needed legislation and thus improve conditions which were fully disclosed at that time. Let me quote some of the things that were said of conditions as they then existed.

In an article in the Washington Times we find the following, quoting in part from remarks of Mr. E. W. Oyster, one of the good citizens here who has labored incessantly for better conditions in the District:

"Washington is honeycombed with filthy alleys, spreading disease in even the most beautiful parts of the city. Scattered through every residence section are slums more objectionable than the congested districts of New York or London. The health department is fighting a desperate losing battle against conditions too deep-rooted to be repaired without public aid."

"This was the warning that E. W. Oyster, of the Petworth Citizens' Association, hurled from the pulpit of the People's Church, East Capitol Street, yesterday morning."

"The people who own property in these slums," said Mr. Oyster, "are selling their souls for cash. And the tragedy of it is they are selling the lives of their own carefully guarded children for cash."

"I shall not criticize the health department, because I believe Dr. Woodward is an efficient officer, alive to the situation but terribly handicapped."

"The public is strangely indifferent. As a special examiner of the Pension Bureau I have had occasion to visit these places, and if the public could see them as I have seen them and as Dr. Woodward and his assistants have seen them, there would be a clamor for reform."

"We are spending millions making Washington beautiful—and it is beautiful. But what is beauty when it is rotten to the core?"

"As it is the Capital of the Nation is a disgrace, with a death rate higher than even such cities as Denver, where we send our sick people too late to get them well."

"Behind the great mansions lay hovels that are natural disease breeders. In every part of this city, in the northwest as well as the southeast, citizens are being murdered through their own lack of interest and their own ignorance of what is going on behind their backs."

The Senator from Washington [Mr. Jones], in a statement made by him as published in the Washington Times of September 21, 1914, has this to say:

"To those familiar with the alley conditions in the city of Washington, no action in relation to the city's needs has been more imperatively needed than their elimination. If the good men and women knew of the actual conditions that exist within the shadow of the Nation's Capitol and realized the dangers to health and good morals that go out from them to all parts of the city the demand for their eradication would be universal except from those who profit from conditions that are a disgrace to civilization and Christianity. There would be no grumbling about how to do it nor would the rights of humanity be sacrificed for the rights of property."

"When the situation is understood there is not much basis except greed for opposition to what has been done. No substantial injury will be suffered by anyone. Any dwelling house lawfully on these alleys now has been there more than 20 years. The real annual profits from this property have been from 10 to 14 per cent, and so the owners have been paid for it more than twice over during that time. No property is confiscated. All these owners have to do is to change the use of their property or the conditions of use."

"If they make the alleys conform to the conditions of the law they can use their property for homes or business as they do to-day. They may be put to some expense, their excessive profits may be reduced, but their property will still be useful and profitable."

"Nothing more strikingly illustrates the power and influence of wealth and greed than the situation in regard to this alley problem. The public has been apathetic, business organizations composed of men of high standing have opposed this legislation unless the so-called rights of property owners are given the last farthing of protection, and the public health and safety and the pleadings of humanity have been subordinated to the financial interests or a few rapacious individuals."

"A few noble women interested themselves in the subject. They did splendid work, but it took the pleadings of a tender-hearted woman in an exalted place as she passed into the Valley of Death to bring action. Action has come, swift, sure, direct, complete, and the city of Washington, without its slums and unspeakable alley conditions, will be a fitting tribute and monument to the sweet nobility of Mrs. Wilson, who from her exalted place as the first lady of the land gave her time, strength, influence, and love for the happiness and comfort of the poor, lowly, and unfortunate, and whose last thoughts were not of her position but of poor, suffering humanity."

In a circular published by the Monday Evening Club, of Washington, in October, 1912, Thomas Jesse Jones, chairman of the housing committee of that club, has this to say:

"After 40 years of agitation and search for ways and means to eliminate the blind alleys of Washington, they still remain to spread crime and disease throughout the beautiful city and its inhabitants. Two startling facts should have swept these alleys out of existence years ago. One out of every three children born in these byways dies within the first year of life. To make matters worse these houses with their diseases and crime fill the center of many blocks rimmed with splendid houses and hotels."

"A glance at the map of Washington shows the dangerous proximity of these disease centers to the best residential blocks of the city."

"Some alleys have been eliminated to meet the demands of commercial enterprises. One disreputable place was converted into a minor street by assessments upon neighboring property equal to the cost involved in the change. Further application of this method was stopped by a Supreme Court decision in 1907 which cast doubt upon the legality of this form of assessment. At the last session of Congress \$75,000 were voted for the change of the most notorious alley in the city into an inner park. This year the commissioners are planning to attack four more alleys."

"But in spite of all these accomplishments and plans, there is no plan to attack the problem as a whole. A careful study of the whole situation leads to the conclusion that the final solution of the alley problem awaits the aroused public interest of the Nation. Let us add to our plans for a city beautiful a demand for a city pure. Let the woman's clubs of the land, the civic associations of the Nation, and political organizations of every State and city unite in the call for a National Capital that shall be both beautiful without and clean within."

In the same circular Mr. Wilbur Vincent Mallalieu says:

"The moral conditions in such a secluded inclosure as this court can scarcely be imagined. The police who have to do with it agree in speaking of its disreputable character. One officer has remarked that it is the worst place in the United States and that there is no crime unknown to it. The police blotter of the precinct shows that from March 1, 1911, to March 1, 1912, there were 114 arrests among the 204 men, women, and children living in Snow's Court. The charges were drunkenness, disorderly conduct, assault, unlawful assembly, larceny, cruelty to animals, and accusations relating to sexual crimes. Nor does this number of cases represent all the evil because it does not take into account residents of Snow's Court arrested in other precincts, nor does it include the mischief done in Snow's Court by inhabitants of the neighboring alleys and residents of other parts of the city."

"Snow's Court is a peril to our Capital's life. Only an awakened public conscience that shall demand the abolition of this and other pest centers will rid the city of very grave dangers."

I might go on almost without limit quoting from the sayings of newspapers and others as of that date, condemning conditions and suggesting remedies, but I desist.

This showing should appeal strongly to Congress for relief. In a directory of the inhabited alleys, issued as late as 1912, it is said by way of introduction:

"There are 275 of these interior courts in the city. They contain 3,337 houses used for dwellings and approximately 16,000 persons. They are so widely distributed throughout the city that even the best residential sections are not free from their evil influences. The northwest, the largest of the four general sections of the city, has 161 or nearly three-fifths of all the alleys."

"The statement which follows shows the number of alleys and alley houses for each section of the city."

Section.	Alleys.	Houses.
Northwest.....	161	1,940
Southwest.....	53	705
Northeast.....	30	336
Southeast.....	26	356
Total.....	275	3,337

"The average for each alley is 12.1 houses and 58.1 persons. Each alley house has an average of 4.8 persons."

Now, let us see what Congress has done to remedy or ameliorate these fearful conditions. In a pamphlet published by the committee on housing of the woman's welfare department of the National Civic Federation in November, 1912, it was recited:

"This first health board, which had begun its work of alley reclamation so nobly, was abolished, and the office of health officer created by an act of Congress June 11, 1878. Right here the good work stopped, for in the legalization of the health ordinances in 1880 the section under which the health department acted in the condemnation of insanitary buildings was omitted. Whether this omission was an oversight or was secured by the influence of men whose money interests were at stake is not known, but it was 12 long years before any further remedial legislation was enacted, and during those years no houses were condemned and new houses were constantly erected. Alley property had proved a paying investment and brick had succeeded wood as building material."

In 1892 an act was passed by Congress authorizing the commissioners to "condemn, open, extend, widen, or straighten alleys on the petition of the owners of more than one-half of the real estate in the square in which such alley is sought to be opened, etc."

Congress very magnanimously provided in this act that the whole of the expenses of such improvements should be assessed against the property owners in the square to be affected. By an act passed in 1894 the provisions of the act were extended to minor streets of a width of not less than 40 or more than 60 feet in width.

It goes without saying that these statutes amounted to practically nothing as a means of ridding the city of the evils I am considering.

By an act passed in 1906 a board for the condemnation of insanitary buildings was created and authorized to investigate and destroy or repair such buildings. This has resulted in the destruction of some of the buildings in these alleys, but it has wholly failed to reach the heart of the evil and has accomplished very little of good in respect of the slum evil.

In 1914 an act was passed making it unlawful "to erect, place, or construct any dwelling on any lot or parcel of ground fronting on an alley where such alley is less than 30 feet wide throughout its entire length and which does not run straight to and open on two of the streets bordering on the square and is not supplied with sewer, water mains, and gas and electric light."

The intention of this act was good and it is good as far as it goes, but that is a very short distance. It only prevents the construction of additional buildings in some of the alleys, which amounts to but little as a means of putting an end to evils that have existed for many years.

On March 3, 1915, another well-intentioned act was passed "to incorporate the Ellen Wilson memorial homes." This was a fitting memorial to a good woman, whose generous and sympathetic heart went out in sympathy to the unfortunates who were denied the comforts of sanitary homes. But as a practical means of rendering the help she so much desired them to have it will amount to nothing of permanent good. The work of correcting this great evil can not be delegated to private individuals. If it is ever done and done effectually, it must be done by the Government and with its money, as I shall endeavor to point out further along.

There was one other act that was effective to destroy one of the worst of these slum alleys. It was the act to condemn Willow Tree Alley. In this instance the Government generously put up half of the money necessary to accomplish this commendable result. But even this beneficent effort has largely failed of its object, because instead of opening out the alley to the sunlight and the public gaze it has been turned into an inside or inclosed park that has become the rendezvous of criminals, vagabonds, and the immoral and viciously disposed of the poorer classes that calls for police and sanitary inspection and control which is not always supplied.

In a report of the committee on improvement of existing houses and elimination of insanitary and alley houses of the President's Home Commission above mentioned, made December 8, 1908, some of the existing conditions are described, and the difficulties of dealing with them effectually are pointed out.

For example, in speaking of one of the objectionable alleys, it is said: "One of these cases is Blagden's Alley, square 368, concerning which the chief of police and his associates on the board states in the recommendation for its conversion into a minor street that:

"Blagden's Alley, located between Ninth and Tenth and M and N Streets, contains 54 houses inhabited by a negro element who live in poverty and are a source of constant trouble. The dwellings are insanitary and dilapidated and afford shelter to 10 or 12 persons each."

"Another is square 620, as to which the board reported: "Logan's Place contains 35 insanitary dwellings, which are very much overcrowded, and the inhabitants, being of a vicious character, give the police more or less trouble."

"Everyone familiar with these and other such labyrinths realizes the security from police supervision which they afford, to say nothing of other disadvantages which fully justified the recommendation of the board."

Then it was said:

"The principal difficulty with the present law seemed to be that it required that an amount equal to the damages found should be assessed as benefits and that this should be assessed within a limited area. It was found that the law of 1906 in relation to the opening, extension, widening, or straightening of streets, provided that the jury should assess benefits not only upon adjoining and abutting property, but upon any and all other lots, pieces, or parcels of land which the jury might find to be benefited by the improvement. This apparently indicated a plan by which the amounts required could be raised in a more equitable manner, but as it seemed probable that in many cases the damages awarded would even then exceed the benefits which the jury might find it seemed desirable to include also a provision by which a

certain proportion of the awards could, if necessary, be paid out of some general fund.

"One of the commissioners has suggested, when the engineer commissioner recommended that the work be stopped on account of the expense, that legislation might be urged providing that the alleys be opened and a certain proportion of the expense be paid by the United States Government, another proportion by the District government, and the remainder be assessed upon the property owners in the neighborhood of the improvement. Inasmuch as the deplorable conditions of the alleys have grown up under the administration of the District government, it seems proper that a considerable portion of the expense of removing them should be borne in this way by those responsible for them; but as any payment for District purposes by the Federal Government would be contrary to the definite policy adopted by Congress it did not seem advisable to the committee to advocate such a provision."

The picture presented by the quotations I have made is not overdrawn. They do not disclose the whole truth. I have not depended on such information in reaching conclusions. I have examined enough of these slums and inspected enough of the dwellings located in them to speak of my own knowledge. The conditions are unspeakably bad. One who witnesses them for the first time is filled with a profound sense of pity and commiseration for the inmates not unmixed with a feeling of shame and resentment that a great Nation like this, one of the richest and most powerful in the world and possessed of almost unlimited resources, should allow such conditions to exist in its Capital City.

Washington is a city of striking and abrupt contrasts. One may ride along a wide, well-paved, and attractive street lined with beautiful, almost palatial, homes and turn from it upon an old, worn-out cobblestone or brick paved street lined with old, broken-down houses, many of them dilapidated and apparently unfit for human habitation. From that one can turn into what are politely called "inhabited alleys," "courts," "places," and find an appalling condition of poverty, destitution, and degradation. All this within a distance of two or three squares. Some of these alleys are blind alleys—that is to say, there is but one means of ingress and egress—and within is a labyrinth of alleys covering the entire inside of a square, with a fringe of houses around the outside, some of them little better than those within except that they are easier of access.

Within such a square you find the most degrading conditions. It is almost beyond belief that human beings can live under such conditions. They have very justly been called pest holes of crime and disease; and yet the owners of the shacks and tumbled-down and insanitary houses are making more money out of the rent of them than is being made by the owners of first-class houses and business blocks. The rents are exorbitantly high. As an example, I visited one little old brick shanty with two small rooms up and two down stairs, without running water in the house, out of repair, plaster off the walls, ill-lighted and poorly ventilated. This house was occupied by two families, each with two rooms, for which they paid \$7 a month each, or \$14 for this little, dilapidated, insanitary house that should have been condemned and destroyed under existing laws long since.

There is but one effective remedy for this dreadful condition. The Government should condemn the whole square as a sanitary measure and police regulation, tear everything out of it, root and branch, replat the ground, construct upon it model sanitary houses, rent them to the poorer classes of people who now inhabit the slums, and then supervise and inspect them, thus compelling the tenants to keep them in a sanitary condition inside as well as out. It will be said that all this will cost a lot of money. Yet, it will; but it will be money much better spent than are millions and millions of dollars that we are now throwing away for useless and illegal purposes. The Agricultural Department is spending and wasting millions and millions of dollars on useless experiments and in work that should be done by the States and can not legitimately be done by the National Government. The Public Health Service is spending millions more in the States in violation of the spirit of the Constitution. We are spending hundreds of thousands of dollars for the cure of hogs and cattle in the States often where the Federal authorities have no lawful right or business to enter. We spend millions for agricultural colleges and vocational schools in the States, a work that belongs to and should be left to the States. We are spending money lavishly, extravagantly, and paternally in the States. The dividing lines between the States and the Federal Government are fast disappearing by the raid of the States on the National Treasury. The States are selling their jurisdiction and their sovereignty for money. We are centralizing our Government at an alarming rate and to a degree that I am afraid few appreciate, and for purely mercenary and selfish reasons. The pork barrel is kept well filled. We are spending millions of dollars for public buildings in the States that are not needed and for the improvement of so-called rivers and creeks that are of no public use. No wonder the National Treasury is bankrupt and the people are being taxed to keep up these many illegitimate and useless expenditures. But when an effort is made to clean up the National Capital, that is within the jurisdiction of the Government and for which it is directly responsible, the purse strings are tightly drawn and the cheese paring begins. The half-and-half system is appealed to as a reason and excuse for economy. And if the half-and-half system is adhered to it may just as well be conceded now, once for all, that this necessary improvement can not be accomplished. The one-half of the money necessary for the initial work can not be raised by taxation. It would be ruinous. And so long as the Government hides itself behind the half-and-half system and contents itself by meeting one-half of the expenses, the conditions in the Capital will continue as they are now, a disgrace and a reproach to the Nation.

These are conditions that should not be allowed to exist for a day in any city in a civilized country, much less in the capital of a great nation like ours. But, it will be asked, what is the remedy? The remedy is simple and easy, but expensive. The Government should take the matter vigorously in hand. As I have said, it should condemn and clean out these alleys at whatever cost. But it should not stop when it has turned these poor people out of their homes, however poor and unsanitary they are. It should provide other homes for them at reasonable rents, to be under the inspection and control of the Government. This could be done as a matter of public safety and a sanitary measure. This duty of providing homes for the poor and incompetent within the Capital should not be left to private enterprises seeking profits. Neither the cost nor the responsibility should be divided with anybody. To assess the damages resulting from such sanitary improvements to private owners of property is entirely unreasonable and wholly unjust. Our civic pride as well as our sense of justice should impel us to act in this matter promptly and effectively. It has been done in other countries. It can and should be done in this country within its Capital, over which it has exclusive control.

Of the means resorted to in London, England, and its results the report of the housing committee, above referred to, has this to say:

"The housing of the working classes act, which was passed in 1890, and which superseded and improved previous attempts in this connection, provided not only that individual houses might be condemned as insanitary, as is done under the law of 1906 here, but also that an area containing streets and many houses might be declared 'unhealthy' and taken over by the local authority, and that the buildings might be removed, the streets rearranged, and other dwellings erected, either by agencies to which money would be furnished by the local authority or, if necessary, by the local authorities themselves. In fact, the law made it obligatory upon the local authority in London to provide housing accommodations for at least 50 per cent of the people displaced, which has since been raised by an amendment making the required provision equal to all, and in other districts to such an amount as might be determined by the local authority to be adequate under all the circumstances."

"Under this housing of the working classes act numerous wretched districts have been cleared up and comfortable and healthy dwellings provided, and although the cost to the community has been considerable in certain cases where the evils to be remedied were of long standing and very great, the law has done great good and the attention of those interested in the subject is being given to improving its operation rather than to changing it in any radical way. It aims, so far as possible, to protect the interest of the community in acquiring any property which has become detrimental to the well-being of the district, while at the same time dealing justly with the owners. The method of procedure requires the local authority to take the initiative, and where a loan is necessary, as it often is where an area is acquired, the plans for this and for the improvement of the area must be approved by the central authority in London."

And comparing the conditions there with ours, it is said further: "It will be noticed that the situation in the District of Columbia is similar to that in England, in that the District government resembles the local authority, which can take the initiative in regard to any alleys which require attention, but which can not act without the consent of an authority not local, which in the case of the District is Congress."

"The ordinary danger in giving to public officials who are in entire control considerable discretion in the disbursement of public funds is therefore removed, and it ought to be possible for Congress to give such a plan a fair trial without incurring any very great risk."

The following, published in the Trades Unionist, is worthy of careful consideration:

"That the United States Government should make Washington the model for all cities of the country was the opinion of the delegates to the National City Planning Conference, which met in this city on May 22, 1909. It was the consensus of opinion of the delegates to this conference that the working out of the plans for the beautification along practical lines rather than for mere adornment should be the ideal worked for by all American cities in order that all classes of people shall be benefited."

One of the speakers at the opening session of the conference was Robert A. Pope, landscape architect of New York City. He said:

"Of prime importance to the growth of the city-planning movement in America is the realization of its true nature, its proper aim, its vast social and economical import. Because of ignorance of the true scope of city planning work in this country has not and can not, as at present understood, accomplish its primary function."

"For example," he said, "we have assumed without question that the first object of city planning is to beautify. We have made the esthetic an objective in itself. We have rushed to plan showy civic centers of gigantic cost, the carrying out of which too often has been brought about by civic vanity, when pressing hard by we see the almost unbelievable congestion, with its hideous brood of evil, filth, disease, degeneracy, and crime. What external adornment can make truly beautiful such a city? Is it genuine foresight to neglect the present-day serious and fast-growing evils of congestion and bad housing which is so directly a menace to future generations—"

"To forestall the disastrous and otherwise inevitable consequences of these conditions will be the richest service that city planning can accomplish for the future. That this is its true and primary function can be abundantly established. The example of European countries, especially that of Germany, demonstrates that wise city planning, with proper regulations, can alleviate and ultimately eradicate undue congestion, the festering source of most of our disease, crime, and degeneracy. To remedy congestion, then, is to help solve some of our most threatening social and economic problems."

"The foregoing statement in regard to city planning and city management are probably true of all cities and are certainly true of Washington."

"What external adornment can make truly beautiful such a city? The Washington Times appears to have anticipated Mr. Pope's question when it said editorially:

"No part of the greater Washington can be safely built upon a rotten foundation. There is no room in the city for such contrasts as foul alleyways and a parking system embracing the beauties of a paradise. The spirit that labors for the realization of the beautification project should at the same time strive for the elimination of the slum quarters."

"The Washington Post says our alleys are 'pest holes'; Rev. J. M. Waldron, president of the Alley Improvement Association, brands them as 'plague spots'; President Roosevelt declared them 'a reproach to the Capital City'; and Senator McMillan 'a disgrace to our civilization.'"

"What external adornment can make truly beautiful such a city?—a city homecombed with disease-breeding, death-dealing, and crime-producing slums. Jacob Riis says they are worse than any he ever saw in New York City or in London, and Washington's death rate, when compared with that of the cities named and nearly all the other cities of its class in the United States and Europe, seems to prove the truth of his statement."

If Congress will abolish the "local authority" here known as the District of Columbia, which is a mere incumbrance, and the half-and-half system and deal with this awful condition directly and with a free hand, the conditions can be eliminated from the life of the Capital, as they should be.

There can be no possible excuse for them to remain. It is a shame to every American citizen that they have been allowed to exist at all.

RED-LIGHT DISTRICT.

For 30 years, under the system of government that has prevailed here, the red-light district, with all its demoralizing influence, corruption, vice, disease, and crime was allowed to grow and flourish within a stone's throw of Pennsylvania Avenue, the thoroughfare leading from

the Capitol to the White House, and almost under the shadow of the Capitol itself. It was only within the last two years that a law was enacted by Congress removing this blot from the face of the city. And even then no remedial provisions to aid the poor unfortunates who inhabited this section was made. They were simply evicted from the only place of habitation they had and left to seek other homes as best they could. Doubtless many of them will be found in the slums or inhabited alleys and others more fortunate in the better resident portions of the city. Their vices and their misfortunes are hidden from public view, which is something, but not much. These unhappy victims of the baser passions of men need something more than this at the hands of a Government that has forcibly evicted them from the only homes they had.

Some of the good and generous women of Washington made praiseworthy efforts to ameliorate their condition at the time of their eviction, but with what success I do not know. But, at all events, the effort was not official and no aid was given them by the Government.

THE SALOONS.

Another kindred and debasing evil that has been nourished by this government of divided authority and divided responsibility is the liquor saloons. They still flourish unmolested and unashamed. Business men of Washington, too many of them, support and uphold them and antagonize any proposed law to suppress or control them, because they say to eliminate the saloon will hurt business. Not a very high standard of morality or citizenship, you will say. No; it is not, but it is the standard of commercialism, greed, and slavery to business as against every consideration of decency or good morals. Civic organizations in the city, which should be controlled by the highest standard of civic virtue and worthy citizenship, composed, in part at least, of men of high character, who cry out for a beautiful Capital City, stand opposed to the destruction of this, one of the greatest of evils. There is one partial excuse for this in respect of the action of some, at least, of these associations. Their membership is composed partly, sometimes largely, of brewers, saloon keepers, and others interested directly or indirectly in the liquor traffic and sometimes officered by such as these. Of course, such men, interested as they are, are active and energetic, always present at meetings, and frequently control meetings in the interest of the saloons as against members who are not directly interested and many of whom have not the moral courage to speak or vote their real sentiments and convictions.

When I came into the Senate there were over 500 liquor saloons in the District of Columbia. Fifty-seven of them were on Pennsylvania Avenue between the Capitol and the White House, as many as nine of them on a square in some instances. They infected the residence districts of the city and nestled about the schools and churches. At the last Congress a bill was introduced reducing the number of saloons to 300, excluding them from the residence districts, and providing more stringent control and regulation of them. The bill was strenuously opposed in committee. It was favorably reported by the Senate Committee on the District of Columbia and passed the Senate practically without opposition. In the House it was held in committee for months and could not be brought to a vote. It was finally passed by making it an amendment to the District appropriation bill, which forced a vote upon it.

The law has not accomplished all that was intended by or expected from it. The administration or maladministration of it by the excise board was so obviously bad that an investigation of the board was ordered by the Senate which resulted in a report of a committee strongly condemning the course of the excise board. It was made evident that the board was unduly favorable to the liquor interests and construed and misconstrued the law in favor of the liquor interests and against the public welfare and good morals of the District.

Here, again, there should be no divided authority or responsibility. This is a matter that interests and affects the whole country. It is a disgrace to the Nation that such conditions should be allowed to exist in its Capital City. The Congress should deal with it directly, promptly, and effectively. There should be no intervening local authority or local fears or sentiment to obstruct or hinder the complete elimination of the liquor traffic from the Capital of the Nation. Many of the States of the Union have abolished the saloon and established prohibition; others are moving forward to the same highly desirable result. The Federal Government should not be lagging behind in this great forward movement for the betterment of mankind.

POLICE STATIONS.

Another of the evils prevailing in the city that needs undivided and prompt action is its insanitary condition, not confined to the slums or poorer sections. The health, as well as the morals of the city, needs to be better safeguarded and protected than it has been in the past under the present half-and-half system of financing the affairs of the District.

The police stations of the District may be taken as an example of dangerous neglect to protect the health of the city. They are not all so bad as they might be, but some of them that I have visited are shockingly insanitary. They are poorly lighted and wretchedly ventilated. They are unfit for the police force to live and work in, and the cells, where human beings are confined before trial, sometimes innocent men, are unspeakably insanitary. For years efforts have been made to secure appropriations sufficient to provide better and more sanitary station houses, but they have been only partially successful. These antiquated and insanitary buildings are still maintained, to the everlasting reproach of a civilized nation that boasts of a beautiful capital and talks about making it a model city.

In the Washington Star of August 2, 1910, Dr. William C. Woodward, District health officer, is quoted as follows:

"I have gone as far as my power will permit. For the past two years I have recommended that immediate improvements be made in a number of the police stations and that the deplorable insanitary conditions which exist there be corrected. Maj. Sylvester has reechoed these recommendations and has given them his hearty support.

"Nothing has been done. I have no power to go further. I have absolutely no power to compel the commissioners to do anything. The conditions which prevail are open and notorious, but the health officer is not to blame. It has gone the limit. The whole matter is up to the commissioners."

The doctor was mistaken in saying it was up to the commissioners. These improvements can not be made without money, and Congress has failed to appropriate the amounts necessary to correct this condition. The things that are absolutely and imperatively needed, some of which I am endeavoring to bring to the attention of Congress, can not be accomplished under the half-and-half system without imposing an unbearable burden of taxation on the taxpayers of the District. If it could under this system, the commissioners are hindered by law in making estimates for the expenses of the District to double the amount

of the estimated revenue that can be raised by taxation; that is to say, the estimates are limited by the amount raised by taxation and can not exceed the amount thus supplied plus the one-half assumed by the Government. Such a system by which the hands of the commissioners are tied and the liability of the Government limited has been a dead weight on the prosperity, the morals, and the health of the city. This work of proper sanitation is the Government's problem. It should not shirk it. The amount contributed by taxation, whether one-half or more or less, should have nothing to do with it.

ENGINE HOUSES.

The engine and truck houses of the District are subject to the same criticism as the police stations, though probably not in so great a degree. The truck house in front of the Senate Office Building, that has been uncovered and exposed to public view by the tearing down of the houses around it, is a sample of some of these that we have no reason to be proud of. Fortunately, its destruction is made necessary by the conversion of the ground that it stands upon into a public park and a better, more modern, and more sanitary one is promised in its place. But there are others equally in need of attention.

Some of them are infinitely worse than this one. I have visited and inspected a number of the engine and truck houses. There are 38 of them in all. One of them was constructed 58 years ago, another 51, and some over 40 years ago. But very few of them are up-to-date, modern engine houses. Many of them are insanitary in the extreme and most of them are inadequate for the purpose and inadequately equipped.

The firemen are a fine looking body of men, but a large proportion of them are compelled to live and work in quarters that are a disgrace to the city and the Nation. Let me describe one of the houses that is much the same as a number of others. The engine room, where the engine and other equipments are located and where the horses and men are quartered, consists of one room, too small for the purpose. The front space is occupied by the engine and other fire apparatus. Immediately back of this are the horses in open stalls, extending clear across the room and immediately back of the horses, without any partition between them, and occupying a narrow strip of only a few feet, extending also across the room, the men are quartered. Literally the men live in the stable with the horses. The dormitory or sleeping room, is upstairs. The whole building is heated, or partially heated, with one old cannon stove. There is no system for heating the entire building and no hot water for the use of the men in the different parts, the old stove being the only means of heating the building or water. The rooms are lighted by gas only. There is no side or rear entrance. Everything that goes in or out must pass through the one room at the front. All of the accumulations of the stable are taken out that way and the coal and other supplies are brought in in the same way. As the stalls of the horses take up a section entirely across the room and the men are located behind them, no one can pass through without crowding past a horse in his stall or the horse being taken out. When fuel or other necessities are brought in it is sometimes necessary to run the engine out in the streets to make passage room. The building is miserably lighted and ventilated. At one of the engine houses, where they had no heat except from the one stove, I asked the captain if they could be kept warm by that means in cold weather, and he said no; that at night the men on watch in the room where the stove was situated had to wear a heavy coat in order to keep warm.

The house I am describing is next to intolerable in warm weather. As I have said, it is practically without ventilation. There can be no circulation of air for the reason I have stated that there are no rear or side openings. The engine that is in front of the men and the horses and between them and the only entrance for fresh air, must be kept heated and ready to go out at all hours. Just imagine, if you can, what hot weather, such as we have in Washington, means to men who have to live in a stable with a row of six horses in front of them and a heated engine in front of the horses and no ventilation from the rear. The conditions under which firemen are compelled to live in many of the engine houses of the Capital of the Nation are positively inhuman. They must live under these fearful conditions day and night, winter and summer, unprotected either from heat or cold. In addition to what I have said of the arrangement, heating, and ventilating of the houses, the buildings themselves are old, out of repair, and dilapidated.

I have perhaps said enough about the buildings. I might say much more about them. Now a word about the equipment.

The fire department is well equipped with a fine class of horses. As I have said, the men, as I saw them, seem to me to be high-class men. The chief of the department has served for 37 years and has come up from the bottom. He is a highly intelligent and capable man. But these men are handicapped by an altogether out-of-date and inadequate equipment. The day of the horse as a moving power in a fire department has passed. A fire department without motor-propelled apparatus is far behind the times and inadequate and inefficient. Besides, the replacing of the horses with motor power would render the engine houses more habitable. They would not, at least, be stables with the men living with the horses. The engine and truck houses should be equipped with motor apparatus without delay. Besides the increase of efficiency and betterment of sanitary condition it would, as has been estimated, insure a saving to the Government as between the horses and motor power of over \$40,000 a year.

In a letter to me from the chief engineer of the department, after describing some of the conditions of the buildings, he says:

"Some of the greatest needs in our houses are the installation of proper heating plants to replace stoves, electric lighting as a substitute for gas, and shower baths."

Out of the large number of engine houses in the city only four or five are properly built and equipped. After seeing a number of objectionable ones I visited one of those lately built. The contrast was most gratifying. It was made with back and front entrances, lighted and ventilated from all sides, steam heated, with hot and cold water throughout, comfortable quarters up and down stairs for the men, away from the horses, with motor-power apparatus, and in every way sanitary, comfortable for the men, and up to date.

You may ask why the houses are not put in sanitary condition and properly equipped. Just because Congress will not, under the half-and-half, irresponsible system that exists, provide the money necessary even to make ordinary and necessary repairs much less build modern, sanitary engine houses properly equipped.

I do not know whether members of the District appropriation committee have visited and examined these houses as I have. I can not believe that if they had these necessary and humane appropriations would not have been made long since. It should be made the duty of that committee and the Committees of the two Houses on the District of Columbia to make a personal inspection of all public buildings at

least once a year so that they might know their needs from their own personal knowledge.

The men of the police and fire departments are the guardians of the life and property of the people of the District. They should be supplied with all that is necessary to make them comfortable and with adequate facilities and equipment for efficient and faithful service.

HOSPITALS.

The District of Columbia has a combined jail, insane hospital, and asylum hospital for the dependent people who are unable to pay for treatment at the private hospitals. These three are on the same piece of ground. There used to be a workhouse and a poorhouse connected with them. Through the most strenuous efforts of the commissioners, the Board of Charities, and other charitable organizations and private citizens other provisions have been made for a workhouse and an asylum for the aged and infirm, commonly called a poor farm, which I will notice further along, but the old hospital remains to disgrace the city and the Nation. It is composed of a number of cottages worn with age, poorly equipped, and unfit for use from age and decay. It is just about such a pretense of a hospital that one would expect to find under a system of government that would allow the slum conditions which I have mentioned to exist. For 15 years the Government has owned a suitable tract of land upon which to erect a modern hospital, such as a city of this size should have. Ever since Congress has been appealed to for an appropriation sufficient to erect such a building, but the land remains vacant. It was a fine real estate investment. The property has a speculative value of five times as much as it cost, but that does not care for the needy, sick, and afflicted.

While this imperative duty has been neglected by Congress from year to year it has been making appropriations of hundreds of thousands of dollars to privately owned hospitals, some of which needed no help but were growing rich from their business. For this neither the Government nor the class of people that it should serve have received any benefit whatever. Most of the indigent patients they refuse to receive at all, and if they do accept any the Government, notwithstanding its contribution, must pay for them.

At the hearings on the District appropriation bill for 1915 the following showing was made as to appropriations for private hospitals:

Freedman's Hospital	\$665,521.23
Providence Hospital	465,079.67
Garfield Hospital	279,830.00
Columbia Hospital	276,600.00
National Homeopathic Hospital	126,168.62
Central Dispensary and Emergency Hospital	103,708.00
Children's Hospital	50,000.00

Grand total.....1,966,907.52

Thus it will be seen that while the people of the District have been suffering for years for a decent municipal hospital, the Government has donated to private hospitals nearly \$2,000,000.

The Municipal Lodging Hospital, like the Washington Asylum Hospital, is nothing less than a disgrace to any decent city. It is located in cramped, insanitary quarters in an old residence on Twelfth Street NW., a building pronounced by all who have visited it as utterly unfit for the purposes to which it is devoted. And the influence of the owners of these same private hospitals and their friends, including some of the subservient newspapers, has been successfully used to prevent the construction of a decent modern up-to-date hospital.

What the Government should have in the city of Washington is a first-class modern hospital to care for the unfortunates that it is now caring for so indifferently and inadequately, and others needing its help. It should have a receiving and emergency hospital with all modern improvements and adequately equipped. It should at once and for all time cut off all appropriations to private hospitals. It is a misuse of public funds for which there is no proper consideration or return.

The Government hospital should be free to all kinds of practitioners of all schools of medicine and other means of healing, leaving the patients free to select their own means of healing if they have any choice. It should in that way be made one means of breaking up the existing medical monopoly, one of the worst and most oppressive of all the great trusts and monopolies of the whole country.

PARKS.

The District of Columbia has good reason to be proud of her parks. Most of them are very small, and Rock Creek Park, the largest of them all, has not been made what it should be in the interest of the whole people. It is essentially a rich man's park. It is beautiful because nature made it so and not by the expenditure of money by the Government or the District. It has been made available to people who can afford their automobile or carriage by beautiful drives. The acquisition and improvement of the park is to be highly commended, but its advantages and the pleasure to be derived from it are confined to a comparatively few people, who really need it the least. The same may be said of Potomac Park. There are no buildings, no playgrounds, no stadiums, no places of recreation, no place where the people are provided with any conveniences for meeting together to listen to music or enjoy other sources of amusement or pleasure in Potomac or Rock Creek Parks. They are not accessible to the general public by any cheap means of travel, and only long-distance pedestrians are able to see or enjoy them on foot. If the parks are intended and designed exclusively as beautiful driveways they are a great success, but if they are intended for the enjoyment of the general public, as I think they should be, they need much to make them suitable and accessible for such a purpose. In this respect they do not compare with the parks of other large cities in area, accessibility, and fitness for park purposes.

In the thickly populated down-town sections of the city ample and beautiful small parks and circles, which may be called parks, are provided and are well kept up; but, unfortunately, there this much-desired provision for outdoor pleasure and fresh air and sunshine stops. While provision has been made for the extension of all streets to the outer sections of the District on the broad lines of the plan of the original city of Washington, no provision has been made for parks, large or small, in these outside sections that are fast coming into the city and becoming thickly populated. This is a serious oversight. The people residing in these sections need the open parks even more than most of the people down town because of the inaccessibility to them of the larger parks, the resort of the people who ride in their automobiles. These people pay their share of the taxes used for the acquisition and upkeep of the larger and the down-town parks and should have local parks of their own, and this will not be made a model city until this is done.

It is maintained by some that it is unfair to tax the people for one-half of the expense of acquiring and keeping up an unusually large and expensive park system for the Capital, but this claim is unfounded. The park system of the District of Columbia does not compare with that of some, I think many, of the other cities of the country in area, beauty, availability, or usefulness and benefit to the general public, nor has it cost so much either to acquire or maintain. A comparison of the park system here and in other cities in the States was not furnished at the hearings. I have not attempted to secure information as to all other cities, but I have as to some. I give a few of them as examples:

	Acres.
Washington, D. C.	5,500.00
Boston, Mass.	2,575.00
Philadelphia, Pa.	5,621.00
Pittsburgh, Pa.	1,321.63
Baltimore, Md.	2,320.65
San Francisco, Cal.	1,398.00
Los Angeles, Cal.	4,000.00

This will show, I think, that the park areas in Washington, if we exclude the many small parks and circles included in the area in this city, are not unusually large as compared with other cities in the country, because it is the Capital of the Nation, or for any other reason.

THE STREETS.

There are some peculiar conditions that have arisen respecting the streets and street improvements that may well be called to the attention of Congress. The streets in Washington are unusually wide and greater in number than in any other city in the country, so far as I am informed. This results from the elaborate way in which the city was laid out as the Capital of the country. I think this was entirely proper and has tended to enhance the beauty of the city. But for this the owners of property should not be penalized by the imposition of higher taxes or special assessments for the opening, widening, or improvement of the streets. This has been done, however, and is provided for now by law. To meet the expenses of opening a street—that is, condemning and opening it legally and on paper—the cost is assessed against abutting property. The owners must pay the assessments, often burdensome, sometimes ruinous, at once, while the street thus condemned may not be opened and put in actual use for months or even years later. This is entirely unreasonable and unjust. This is only an example. There are other assessments for public improvements. In my judgment, under the circumstances, there should be no assessments upon private property for public improvements. It is practically conceded that, by reason of its being the Capital and the great interest the Government has in maintaining it, the privately owned property should not bear the whole burden of the ordinary expenses of the District. Hence the half-and-half compromise. I am firmly convinced that this is so, and because of that fact, and the other facts that I have mentioned, I submit that the Government, after receiving the general taxes from the private property owners, should exact no more in special assessments, or otherwise, for street improvements or maintenance. But this is not quite the worst. When it was seen that new additions to the city would be laid out beyond its original limits and that streets might be laid out without conforming them to the general street system, some of the enterprising and public-spirited citizens prepared, and had introduced in Congress, a bill to extend throughout this outside territory the system of streets already provided for within the old city limits. This was obviously necessary if the beauty and symmetry of the city plan was to be preserved. But it was with the greatest difficulty that the passage of the bill was secured, and it was finally passed with the condition that the whole expense of thus laying out the streets should be borne by the people of the District. It was a stroke of economy that does not appeal to one's sense of justice or propriety.

In fact, there has been apparent, through all the years that the half-and-half system has been in operation, a disposition to burden the taxpayers of the District with expenses that should have been borne by the Government. It was a penny-wise-pound-foolish policy that has been exceedingly hurtful to the District and unjust to the taxpayers. It is the strongest kind of argument in favor of abolishing the District and making the Government directly and alone responsible for all improvements and expenses within its Capital.

PENNSYLVANIA AVENUE.

I take up Pennsylvania Avenue separately because it is unique and deserves especial attention and more heroic treatment. If one who had read about the magnificent thoroughfare of the National Capital could see it for the first time from the steps of the Capitol Building looking down toward the White House, his illusion about it would be rudely dispelled. Aside from its extreme width and, in that respect, imposing appearance, there is nothing in the Avenue to excite the pride of an American citizen. It was laid out and intended as an imposing and superb thoroughfare between the Capitol Building and the White House, something like a mile apart. But, unfortunately, the Government neglected to preserve in itself the title to the lands bordering on the street and it went into the hands of private owners and the street is lined with cheap and unsightly frame buildings, many of which have fallen into decay and become nothing less than disreputable. They are occupied as small stores, many of them second-hand and most unattractive, with here and there, at frequent intervals, a liquor saloon, often none too respectable. And now the finishing touch is added by making the center of the Avenue a parking place for automobiles. This is the national thoroughfare which the country reads about.

Are we to leave it in that condition indefinitely? Perish the thought. But what is to be done about it? Do with it just what was intended, undoubtedly, in the beginning. Make it a national thoroughfare by condemning every foot of the land bordering on the Avenue between the Capitol and the Treasury Building for a depth sufficient for the purpose and construct upon it the public buildings so much needed for the housing of the several departments of the Government. There would be plenty of room for them all, I have no doubt, and leave room for parks between them for the length of the street. In this way payments of large rents in the city for Government purposes would be avoided, the efficiency of the service would be greatly increased, and the employees of the Government now working uncomfortably in small, overcrowded, and unsanitary rooms would be properly housed and able to render the best possible service and Pennsylvania Avenue be made the most beautiful, as well as the most imposing, municipal thoroughfare in the world.

This could not, of course, be done out of the current revenues. It should be done by issuing long-time bonds for the improvement of the Capital. It should include an amount sufficient to banish the slums and

erect model sanitary houses on the ground they now occupy, and in all other ways put the city in good sanitary condition. This would not only enhance the beauty of the city and remove the plague spots that now breed crime and vice and disease, but in the long run it would be an economy.

At the present time the department buildings are scattered about the city in many places, many of them rented and poorly fitted for the purpose, difficult of access and communication by people doing business with the Government, and inconvenient in the transaction of business by the officers and employees themselves. It has been suggested that the Government acquire the south side of the street for its buildings. If this should be done and the buildings constructed, the street with magnificent and imposing buildings on one side and the one and two story frame shacks ready to collapse with age on the other, it would be an amazing spectacle.

Unfortunately, the Government buildings have not been located together, but have been scattered about the city. This was a great mistake and should be corrected as soon as possible by bringing them together on this one Avenue, thus making the buildings a continuous grouping from the Capitol to the White House. The Book of Estimates for last year showed that we were then paying nearly \$600,000 a year for rented buildings. The amount, I understand, will increase this year and continue to grow in amount for the years to come, unless we construct our own buildings. This is exceedingly poor economy and bad business policy.

SIXTEENTH STREET.

Sixteenth is another street that should be made one of the distinctly national streets, and improved and protected accordingly. It is one of the most beautiful and attractive streets and drives in the city. It leads directly out from the front of the White House north to the District line, and is the principal thoroughfare to Rock Creek Park. If Pennsylvania Avenue can not be redeemed, then Sixteenth Street should be made the principal street of the city, and if both can be treated as national thoroughfares to be improved and ornamented as such it would be one commendable step toward making Washington look like a National Capital.

THE CITY HALL.

The poor old City Hall. It seems a pity to say anything about it. It is 91 years old. It gives every evidence of having gone through a long series of inefficient, irresponsible half-and-half legislation. If not, it would have been removed many years ago and replaced by an adequate and modern building in a more suitable place. It has remained so long it might be worth saving as an antique but not at its present location. It is situated on the edge of one of the beautiful parks of the city, where no business building should be allowed to remain. It is dingy with age. I have not seen the inside of it. A view of the outside is quite enough. The plastering on the outside has been off for I do not know how long in spaces of 10 feet square or more, and it looks otherwise dilapidated. It should, for the credit of the city, be destroyed, and a new building of sufficient size, modern in style, and with modern improvements, erected on Pennsylvania Avenue, where all public buildings should be brought together. A suitable building, large enough to accommodate all of the District courts should be constructed and the courts brought together.

It will be a long time before Washington can be made anywhere near a model city while such public buildings are allowed to stand. As it is now, it is a blot on the face of a beautiful park that should be removed.

THE FEEBLE-MINDED AND INEBRIATE.

For a long time efforts have been made by public-spirited citizens of Washington to secure some appropriations that would make suitable and humane provision for the unfortunate feeble-minded, and the victims of the liquor traffic that has been tolerated and legalized by the Government. The feeble-minded who are without means of support should be the especial care of the public authorities. Some home where they can be properly cared for should be provided, as has very properly been done for the aged and infirm. As it is now, some of the charitable institutions are caring for these irresponsible people by finding such places of refuge for them as they can. It is a reproach to the Government that these unfortunates should be so neglected.

As to the confirmed inebriates, they are as helpless and as much to be pitied as the others. They are equally as dependent and irresponsible. A Government that has permitted a traffic that has brought such men to their present deplorable condition should regard it as a sacred duty first to abolish the hateful and destructive traffic and then take proper care of its victims. This has not been done. Like many other imperatively needed reforms in the District, it is not likely to be done under the restrictive limitations of the half-and-half system.

PUBLIC SCHOOLS.

There is much complaint that the Government is not giving adequate attention and support to the public schools. The buildings are not up to date it is claimed, and there are not enough of them in some localities in the city to accommodate the children who desire to attend the schools. In addition to this there are school buildings having no grounds about them for playgrounds and outdoor recreation. This is a most serious defect that should be corrected without delay. There is under consideration a proposition to establish here a national university at Government expense. That may or may not be within the legitimate scope of governmental activities. But if it is, we had better perfect our common-school system before talking about spending the public funds for universities.

THE PUBLIC MARKETS.

Strong protests have been made against the alleged insanitary condition of the public markets. This was brought to the attention of members of this committee by a resolution of the health committee of the chamber of commerce of the city vigorously condemning the manner in which the markets were being conducted. I received a letter from the Washington Market Co., by E. O. Whitford, in which it is said:

"Many of the statements made in the report of the committee of the chamber of commerce referred to were promptly and completely refuted by John H. Sherman, District of Columbia superintendent of markets. The persons making them have since failed in any effort to substantiate them."

I do not know how "many" of the statements were refuted or how well founded they are, but other like complaints have been made. At all events, it is highly important that the markets should be kept in as nearly perfect sanitary condition as possible. One of the troubles about this and other similar conditions is that under the present systems neither the commissioners nor the health department of the District are provided with sufficient funds to do what they regard as necessary to correct and remove insanitary conditions.

COMMERCE AND MANUFACTURE.

If I am not wholly in error as to what the District of Columbia should and was intended to be, commerce, except so far as it is necessary to meet the wants of the people within the District, and all manufacturing should be excluded from it. It should not be a place for making money by commerce, trade, or manufacture. It should be strictly limited to the purposes proper for the National Capital. Some day the whole of the District will be needed for the use of the Government. Much more of it is needed now than is being used for governmental purposes.

It may be difficult for Congress to lawfully control the use of private property for the purposes I have mentioned, but everything possible should be done to confine the District to such uses and purposes as are consistent with its character as a National Capital. Congress should feel this to be one of its responsibilities.

ATTACHED HOUSES.

It is unfortunate that the Government did not retain in itself the title to all the land within the District and lease it instead of vesting the title in private owners. This course would have enabled it to control the kind and quality of the buildings that might be constructed. As it is, many objectionable, unsightly, and insanitary buildings have been erected that will prevent Washington from becoming a model city in fact or in outward appearance for many years. One class of dwelling houses in particular should never have been allowed. The so-called attached houses, rows and rows of which are found in the city—and many others are being erected—belong to the class of objectionable buildings. They are poorly lighted and poorly ventilated as a rule and give the owners or tenants no outdoor space. Besides, from an esthetic point of view, they are unsightly and an offense to the eye. They are built mainly by speculators in real estate and sold for exorbitant prices. The excuse for building such houses is that land is so high that people of moderate means can not afford to buy or rent a detached house. This is a lamentable truth. There is no excuse, however, for the high price of lots in Washington. It is purely speculative and without any just basis or foundation. Speculators make the unreasonable prices and then construct a cheap, unsightly, and insanitary house, because they have pushed up land prices, not values, so unreasonably high that people can not afford anything better.

If it is ever expected to make Washington a model city, this kind of house building will have to be stopped.

CHARITABLE AND PENAL INSTITUTIONS.

I have been pointing out some of the vital conditions existing in the District that are crying loudly for betterment in the interest of public morals and public health. It gives me pleasure now to call attention to some of the good things that have been accomplished along this same line. The Occoquan Workhouse is one of these. It is now a penal institution largely devoted to the punishment and reformation of petty offenders. It is to include, when completed, a strictly reformatory branch, and a prison for those committed for graver and more serious crimes. But this last branch is to be made, just as far as possible, a reformatory institution rather than a means of punishment. It is under the direct supervision of the Board of Charities, a praiseworthy institution composed of citizens of Washington of the highest character, who generously and patriotically give of their time for the public good. I have visited the place and gone over the different branches of the work and tried to inform myself as to the success of the undertaking. It has struck me as an admirable effort to reform the morals and habits of the inmates and start them on the road to better things and a life of usefulness. It is a farm of something like 2,500 acres that was taken in its wild state, mostly a forest, and is being cleared and put into cultivation. It has its dairy, a hog ranch, as we would call it in the West, a large poultry farm, and a brick-manufacturing plant that is furnishing much of the brick used by the Government in public buildings.

As the farm is cleared, a work that is being carried forward, the land is being put under cultivation, part of it in orchard. The buildings in which the prisoners are fed and quartered are well lighted and ventilated, the inmates are well clothed and well fed, and everything is kept in excellent sanitary condition. The lumber was taken from the trees and the buildings constructed almost entirely by the work of the prisoners. There are no cells, except a half dozen or so used for necessary discipline and which are rarely used, and no walls about the grounds. Very few efforts to escape occur. There is a well-equipped hospital, for which there is a gratifying lack of use, because the general health of the inmates is unusually good. This results, no doubt, largely from the fact that they are so well housed and well fed and kept constantly at work during working hours at outdoor labor.

On the whole, this institution impressed me as an admirable one, and I am informed that it has attracted very wide and favorable attention and is being taken as a model for like penal institutions. So for once the work of the Government in the District is taken as a model. It should broaden its beneficent work until the whole city of Washington may justly be looked upon the world over as a model city.

But the results of this reform movement are greatly hindered and retarded by the existence of the slum conditions in the city, to which I have referred. Many, if not most, of the prisoners at Occoquan come out of these slums or are the product of these evil places. They are usually committed for short terms. On being released they almost certainly return to the old conditions and the old environments that made them prisoners and outcasts, sometimes because they know of nowhere else to go. As a natural result they are criminals still, and bound to be returned to Occoquan or some other prison, sooner or later, which affords another convincing argument in favor of the complete demolition of the slums.

The Institution for the Aged and Infirm is another beneficence greatly to be commended. The buildings are admirably arranged for the comfort of the old people who are there. Every effort is made by the management to make them comfortable and contented. I speak from a personal inspection as well as from information obtained from others, and am glad to be able to commend this benevolent institution to the favorable consideration of Congress.

Another of the worthy efforts to make more bearable the lot of the dependent portion of the community is the Industrial School for Dependent Colored Boys. It is located on the same farm with the aged and infirm, but is separated from that institution and is under an entirely separate and independent management. The boys are not criminals. It is not a penal institution, but entirely educational in its character. It is doing an excellent and much-needed work, and should be generously supported and its scope extended. It will keep many a boy out of the slum life and make of him a useful citizen.

The several penal, benevolent, and charitable institutions I have mentioned are an object lesson that should not be overlooked or disregarded. They show what inestimable good the Government can do for humanity and for the betterment of conditions in the District by the judicious use of the public funds for the public good. It should be an incentive to more extensive efforts to purify and elevate conditions in the District and protect and preserve the public health.

TAXATION.

The question of taxation and the share of the burden of the expenses of the District that should, in equity, be borne, respectively, by the National Government and the private owners of property in the District is the ultimate question to be considered and reported upon. The several matters which I have attempted to bring to the attention of Congress are only incidental to this main question.

They are incidents, however, which, in my judgment, should receive careful consideration in an endeavor to determine who should bear the burden, and, if it is to be divided, the proportion to be borne by each. I do not believe the burden should be divided. I think it should be borne by the Government for reasons that I have already stated and for others that might be mentioned. The whole burden of maintaining its Capital should be borne by the Government. But in consideration of this the residents and property owners should contribute, in taxes, a fair and reasonable amount to the Government for the protection and other benefits they receive from the maintenance of the city at the expense of the Government. It was conceded at the hearing by some of the advocates of the half-and-half system that this would be the ideal system and, as a matter of principle, it would be just and right. There were two things that the people of the District feared if this plan should be adopted: First, that the Government, through its Congress, would not adequately support its own Capital by the needed appropriations; and, second, that the people of the District would be overtaxed.

This view of it was very ably presented by the Committee of One Hundred, claiming to represent most of the people of the District, and by others. There is no reason to doubt the sincerity of their views or of their expression of their fears of what would result if the half-and-half system should be abolished. I think it is fair to say that the only foundation for the advocacy of the continuance of the half-and-half system was these fears. To concede that the fears themselves are well-founded is to seriously reflect upon Congress. There is no doubt, in my mind, that in some respects, and particularly respecting the matters that I have already pointed out, Congress has failed in its duty to the District and to the Nation. But this failure has occurred under the half-and-half system. I should be sorry to believe that it would be worse if that system were abolished.

I do not believe that Congress has purposely or willfully neglected the interests of the District. I think there are very few Members of either House of Congress who have made themselves familiar with the conditions in the District or appreciate its needs as they should.

I am making this extended report largely with the hope that it will help to inform Congress of some of the evils that exist here and bring about a more serious and broader view of the situation. I have been entirely convinced by the evidence taken at the hearing that the people of the District are not undertaxed. They are, in my judgment, bearing their full share of the burden of the expenses of the District. Just now, when times are hard and real estate values are depressed, I think they are being taxed too high because the assessment of real estate is too high. It is to be hoped that times will improve and set this condition right. But, aside from this, I am satisfied that real estate is appraised far beyond its real value because land values in the District are enormously inflated by speculation. This, however, can not be charged up against the Government. It is the result of inordinate greed on the part of some people, for which innocent property owners, especially the small-home owners, are suffering the penalty. The single-tax theory was very thoroughly and ably presented at the hearing. It has much to commend it. Indeed, I think it would be a good system to adopt in the District. It would simplify conditions very much and on the whole, if rightly and fairly adjusted, would be more just and equitable than the system that now prevails. It is questionable, however, whether it would be wise to attempt to adopt it in connection with the settlement of the present controversy. It will probably be adopted later on. The two civil Commissioners of the District and Justice Siddons, former commissioner, indorsed it, and other gentlemen of standing and ability gave it their earnest support. It is a question that I think should receive careful consideration at the appropriate time.

As to the half-and-half system opinion in the District as expressed at the hearing is divided. The committee was not favored with any expression of views by people outside of the District, although the whole country is directly interested in the question. There was no defense of the half-and-half system on principle. The defense of it, as I have said and as the hearings will show, was founded wholly on the fear that if it were abolished Congress would not do its duty toward the District. This is a very poor and illogical foundation for a fiscal system or form of government.

That the Government should assume the attitude of a mere contributor to the support of its Capital is not only illogical and absurd in itself but is a violation of the Constitution, which gives Congress exclusive jurisdiction over it, and thereby makes it exclusively responsible for it.

SUFFRAGE AND REPRESENTATION.

The question of suffrage is not strictly within the objects for which the committee was appointed and very properly is not covered by the general report. However, it was very fully discussed at the hearing, and may very well be considered briefly in connection with what I am saying on the general condition of the District and my reasons for thinking that it should be treated wholly as a national affair. Besides, the people of the District, or some of them, insist very earnestly that without representation they should not be taxed at all.

My views on the subject may be stated in a very few words. Local self-government within the Capital, which by the Constitution is under the exclusive jurisdiction of Congress, is out of the question. Being the National Capital, and the Government having such vast interests here, which will of necessity increase from year to year, Congress alone must manage its affairs. That is one of my reasons for thinking that the municipality of the District of Columbia should be abolished. But this is no reason why the franchise should not be allowed the people of the District for other purposes. It is unjust and un-American to deny the franchise to any citizen having the requisite qualifications of a voter. There is no reason that occurs to me for denying the people of the District the right to vote for presidential electors, for example. They could be given this right only by an amendment to the Constitution, but I think such an amendment might very justly and very properly be

made. I submit, too, that as the District is governed by Congress the people should have some representation or representatives in that body.

There is another phase of the situation that deserves mention. There are a number of officers appointed by the President and the Commissioners of the District whose duties are confined to local affairs. It has been the custom to select for these offices men from the States. This, in my judgment, should not be allowed. No man from California or Massachusetts or North Carolina or any other State should be appointed to an office the duties of which are confined to the District of Columbia and its affairs. Such officers should be appointed from the District.

CONCLUSION.

In dealing with the problems of the District in this report I have been generously aided by the District Commissioners, Dr. William C. Woodward, health officer, officers of the Board of Charities, and other officers of the District, all of whom are genuinely desirous of bettering the social and health conditions of the District. Dr. Woodward has, in a very interesting review of sanitary conditions furnished me at my request, called attention to other matters needing attention, including the reclamation of the Anacostia Flats, which has already been entered upon; abolition of alley houses; public baths, public-comfort stations, and others. Space will not permit me to discuss all of those, but I may desire to call attention to them later.

His report indicates that conditions have improved, the death rate being decreased per thousand from 1885 to 1914 from—colored, 33.63 to 24.31; and white, 27.75 to 16.59. This is a gratifying improvement, but there is still room for greater improvement in conditions as they exist now. Of the Washington Asylum Hospital, of which I have already spoken, he says:

"The condition of the Washington Asylum Hospital and the Municipal Lodging House is, however, notorious, and these buildings should be abandoned for hospital and housing purposes."

It may seem that I have gone far astray in my treatment of the subject submitted to the committee. I have ventured to submit these various side issues for two reasons: First, because I think they should influence Congress to take the affairs of the District more directly under its control and appropriate more liberally for its needs, regardless of the half-and-half system or any liability of the District or its taxpayers; and, second, because I felt very strongly that Members of Congress should know more about the unfortunate conditions that Congress can relieve if it will than I knew before this investigation commenced and more than I think most of the Members know now. I hope what I have disclosed will help, at least, to make the conditions better understood and arouse such interest as will bring about such legislation as will cure the evils.

I have said some unpleasant things about the conditions that prevail here in Washington. I have said them with malice toward none. They are things that needed to be said, and this seemed to me to be a proper time and occasion to say them. Some of them are things that should ring out from every pulpit in the land. They should be shouted from the housetops until the conditions are corrected. All of them should challenge the attention of the civic organizations and of all good people in the District who believe in making this city pure, clean, and healthful and decent as well as beautiful. But above everything and everybody else, it should call upon Congress to take prompt and adequate steps to remove from the Capital and the Nation the stain of permitting such conditions to exist.

JOHN D. WORKS.

JANUARY 6, 1916.

Mr. WORKS. Out of order I desire to introduce two short bills proposing to carry out some of the suggestions which my statement contains. I ask that they be printed in the Record.

The bill (S. 3249) to abolish the District of Columbia, and for other purposes, was read twice by its title and referred to the Committee on the District of Columbia and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia, be, and they are hereby, authorized and directed to convey, by good and sufficient deed of conveyance, to the Government of the United States all property of the District of Columbia, of every kind and nature, real, personal, and mixed; and the United States Government, in consideration of such conveyance, shall, and does hereby, assume and will pay all the debts of every kind and nature of the said District of Columbia.

Sec. 2. That the municipality of the District of Columbia shall, upon such conveyance of its property, be, and it is hereby, dissolved and abolished, and its powers, duties, and obligations transferred to and vested in the United States, and the said District shall become and the territory now constituting the District of Columbia shall hereafter be known and designated as the City of Washington, and said City of Washington is hereby declared to be the Capital of the United States and under the direct ownership, control, and supervision of the Government, without the intervention of any municipal corporation or body.

Sec. 3. That until otherwise provided by act of Congress the officers of the District of Columbia shall be and continue as the officers of the National Government and shall perform for the Government the same duties now performed for the District of Columbia and be subject to all laws and rules and regulations now in force as to their appointment, terms of office, and removal until otherwise provided by law: *Provided*, That such Commissioners shall hereafter be known and designated as the Commissioners of the City of Washington, and all other officers of said District shall be known, respectively, and designated as officers of said City of Washington.

Sec. 4. That all privately owned property in the District of Columbia, hereafter to be designated as the City of Washington, shall be subject to reasonable and just taxes, to be used to pay the expenses of said City of Washington: *Provided*, That the rate of taxation and the basis of assessment of property shall remain as now provided by law, and all other provisions for raising revenues for said District shall remain in force and be applied to the payment of the expenses of the City of Washington as herein provided.

Sec. 5. That all moneys derived from such taxation assessments or other means provided by law shall be paid into the United States Treasury, to be applied to the expenses of said City of Washington, but the expenses of the City of Washington shall be paid by the Government out of its Treasury by appropriations made by Congress, without regard to the amount collected from privately owned property, and the property owners within the District shall not be responsible therefor, except for the payment of their taxes, the purpose and intention being to consti-

tute the District of Columbia, hereafter to be known as the City of Washington, the Capital of the Nation, and to make the Government wholly and alone responsible for its government, maintenance, up-building, and beautification, and to deprive the municipal government of all control over the same and to relieve the property owners and residents of the District of all such responsibility or control except for the payment of such taxes as may be lawfully assessed against them or their property.

SEC. 6. That until otherwise provided by act of Congress, taxes shall be levied, assessed, and collected as now provided by law, except that the same shall not be based upon the estimated expenses of the District, or the one-half thereof, but upon a reasonable and just estimate of the obligations of property owners and residents of the District as compensation for the benefits and advantages resulting to them from the maintenance and support of the Capital by the Government in which they live or own property, according to the rate of taxation and basis of assessment above provided for.

SEC. 7. That all causes of action that might, under the laws as they now exist, be prosecuted against the District of Columbia, whether arising before or after the passage of this act, may hereafter be prosecuted by appropriate action in the courts against the United States the same as they may under existing law be prosecuted against such District.

The bill (S. 3250) to improve the sanitary condition of the city of Washington, D. C., was read twice by its title and referred to the Committee on the District of Columbia and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That square 28 of the city of Washington, D. C., because of its insanitary condition, the character and quality of its buildings, and their dilapidated and insanitary condition, is hereby declared to be dangerous to the public health, detrimental to public morals and the public safety, and a public nuisance.

SEC. 2. That the Commissioners of the District of Columbia are hereby authorized and directed to acquire for the Government of the United States by purchase or condemnation the title to said square for the purpose of razing the buildings situate thereon and constructing and maintaining thereon, as hereinafter provided, sanitary dwelling houses for the use of tenants.

SEC. 3. That upon acquiring title to said property the said commissioners shall cause the buildings thereon to be removed, the said square replatted, with ample streets and passageways and means of ingress and egress, and construct thereon model sanitary houses of moderate size to be rented by the Government to the poor and the laboring classes at reasonable and moderate rentals.

SEC. 4. That the Government shall hold and retain title to said square for the purposes above mentioned and the improvement of the sanitary condition of the said city of Washington, and the said commissioners shall provide such supervision, control, and inspection of said property as to make and continuously maintain it in a sanitary and healthful condition, free, as far as possible, from immorality and crime.

SEC. 5. That there is hereby appropriated of the moneys in the Treasury not otherwise appropriated, the sum of \$600,000, or so much thereof as may be necessary to carry into effect the provisions of this act.

PRODUCTION OF BINDING TWINE.

Mr. McCUMBER. I submit a concurrent resolution, and I desire to present a little article from the press on the subject. I ask that the resolution may be read.

The concurrent resolution (S. Con. Res. 5) was read, as follows:

Whereas binding twine is one of the large items of expense in the production of grain; and

Whereas it has been alleged in the public press and by individuals that the present price thereof is exorbitant and is fixed and controlled by certain persons and corporations: Therefore be it

Resolved by the Senate of the United States (the House of Representatives concurring), That the Attorney General be, and he is hereby, authorized and instructed to investigate and report to Congress what companies and corporations are engaged in the importation of sisal and manila hemp and the production of binding twine, and to what extent, if any, they control the price thereof, and whether there are any combinations or agreements to fix and control the wholesale or retail prices of sisal and manila binding twine in the United States.

Mr. McCUMBER. Mr. President, I ask that the Secretary may read the following editorial, which is in the form of a letter of A. O. Sather, of Starkweather, N. Dak., published in the Starkweather Tribune of December 30, 1915, which explains the necessity and propriety of the resolution.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read.

The Secretary read as follows:

A PROTEST—PROMINENT LOCAL IMPLEMENT DEALER URGES FARMERS TO WAGE WAR ON SISAL TRUST.

Permit me to ask space in your valuable paper to call attention to something I believe to be of considerable importance. I have it on good authority that a corporation composed of American bankers has been formed for the purpose of controlling the price of sisal imported into this country for the manufacture of binding twine and rope. The bankers interested control the National City and Chase National Banks, of New York City; the Commercial International Bank, of Chicago; the Mississippi Valley Trust Co., the Whitney National Bank, and the Interstate Trust Co., all of New Orleans. The permanent officers and directors will be elected in a few days. Among them will be Messrs. Waxler and Dinkins, of New Orleans; Breckenridge and Jones, of St. Louis; and one or two other bankers of New York and Chicago. Levi Meyer has been engaged as corporation counsel.

Now, I have been engaged in the implement business 18 years, and am somewhat familiar with trust prices. Before the Spanish-American War I sold sisal twine for 6 cents a pound and made a fair profit. Some of our American bankers then formed a trust in Yucatan, Mexico, where the sisal fiber is grown. They have controlled the price and output ever since, and immediately the price jumped to 10 cents a pound, and has remained about that ever since. The new corporation has served notice that twine prices will be advanced 2 cents a pound over last year, and we are absolutely at their mercy. I was thinking it was

my duty to so inform the public. I believe the farmers' clubs should correspond with our representatives in Washington and see what they can do. I am sure the implement dealers at their various State conventions will take some action, but I believe a protest direct from the farmers, who are the only ones robbed, would be more effective.

Yours, respectfully,

A. O. SATHER.

Mr. McCUMBER. I ask that the letter just read may accompany the resolution to the proper committee. I do not know what has been the usual practice with reference to this character of resolution.

The VICE PRESIDENT. To the Committee on Manufactures, the Chair would suggest.

Mr. STONE. There was much confusion while the Secretary was reading. May I ask the Senator a question? The article just read refers to sisal grass or to sisal?

Mr. McCUMBER. Yes; the binding twine made from it.

Mr. STONE. Has the Senator a resolution pending to investigate the question?

Mr. McCUMBER. No, Mr. President; I offer a concurrent resolution instructing the Attorney General to investigate the matter. A trust is charged with violating the law; the names are given of those who compose the trust or combination; and therefore it is an easy matter for the Department of Justice to make the investigation. I have deemed it a subject proper for the joint action of Congress rather than a mere matter of information to be obtained from the Attorney General's office.

Mr. CURTIS. I should like to suggest to the Senator from Missouri that I had a letter upon the same subject yesterday and brought it to the attention of the Trade Commission. I think perhaps that commission may have jurisdiction of the matter.

Mr. STONE. I was going to remark that I have had communications of like kind, and I was wondering just what would be the best plan of proceeding. Possibly that adopted by the Senator from North Dakota is about the best thing available for us to do. We all know, at least many of us know, that there was a great shortage of sisal some time ago, due to disturbed conditions in Mexico, and efforts were made to get ships to bring it out. As I recall, some provision of that kind was made for transporting it across the water. There was great difficulty in getting it from the interior of Yucatan. Until very recently I had not heard of the combination referred to in the communication read a moment ago.

If there is a combination of that kind to absorb the output from Yucatan and practically filch from the manufacturers or farmers of this country—

Mr. OVERMAN. Mr. President, we can not hear a word on this side of the Chamber.

Mr. STONE. I would be very glad, indeed, if some means might be adopted to take drastic action as speedily as possible.

I do not know, Mr. President, just how long it would take the State Department to get hold of this information, to gather the facts, and to institute suit in the courts; things of that kind run along quite a while. I had, however, hoped that some Senator possibly had in mind some way of getting directly and more speedily the facts.

Mr. McCUMBER. Mr. President, I simply wish to say that the letter which has been read into the RECORD gives the full names of all the banks, corporations, and others who are interested in the combination, as well as the names of their attorneys. Therefore it presents to the department the principal information along which it can make very speedy investigation. What we wish first to obtain is the information itself as to whether there is a combination. I know of no reason now why sisal can not be easily obtained from Yucatan, or wherever it may be raised; but there is no question that notice has been served that there will be an immediate rise in the price of binding twine and of sisal. No reason is given for that, but there is suggested here a new combination extending its scope and powers over the production and importation of sisal and the manufacture of twine. I believe there will be little difficulty on the part of the department in speedily ascertaining what the facts are, reporting them to Congress; and if, in the course of the investigation, the Department of Justice finds there is such a combination against the interstate-commerce law and against the law pertaining to trusts, it will of its own volition act on that without any direction from the Congress.

Mr. GRONNA. Mr. President, I wish to say just a word with reference to the question which has been discussed by my colleague [Mr. McCUMBER]. Those of us who are familiar with the conditions of agriculture and know something about binding twine are also familiar with the fact that it is not only the price of sisal that has advanced but that it is the price of the twine after it has been manufactured; and, had it not been for the fact that twine is being manufactured in some of the States,

for instance in the State of Minnesota and to some extent in the State of North Dakota—

Mr. TOWNSEND. It is also manufactured in the State of Michigan.

Mr. GRONNA. And in Michigan also—the price of twine would be a great deal higher than it now is. We know, however, that there has been a combination in existence, not for a few years, but for very many years, and that this combination has been able to unduly advance the price of this article, which is absolutely indispensable to the farmer.

Mr. President, I receive a great many communications with regard to this matter, and I believe that the course taken by my colleague is a feasible one. I think, however, that his resolution should go to the Committee on Agriculture, because that committee, I think, is as much interested in the affairs pertaining to the farm as is any other committee. So I simply suggest that the matter be referred to that committee.

Mr. SMOOT. Mr. President, I will ask the Senator from North Dakota if this resolution simply asks for information or does it ask for an investigation?

Mr. McCUMBER. It asks for an investigation.

Mr. SMOOT. By a committee of Congress?

Mr. McCUMBER. No; an investigation by the Department of Justice of the charges set forth in the information and editorial which has been read.

Mr. SMOOT. I simply rose to suggest to the Senator that the easiest way to get at it would be to put it in the form of a Senate resolution. Then it would not have to be acted upon by the other House. The same investigation could be made under a Senate resolution direct as under a concurrent resolution.

Mr. McCUMBER. I differ with the Senator on that point, Mr. President. If it were the intention of the resolution to elicit information only, I think the suggestion would be very proper, and I would have taken that course; but as the purpose of the resolution is to instruct the Department of Justice to make an investigation of the subject, it seems to me that the resolution should be acted upon by both Houses.

The VICE PRESIDENT. To what committee does the Senator desire the resolution referred?

Mr. McCUMBER. I ask that it be referred to the Committee on Agriculture and Forestry.

The VICE PRESIDENT. It will be so referred.

HEARINGS BEFORE THE COMMITTEE ON APPROPRIATIONS.

Mr. MARTIN of Virginia. I submit a resolution and ask unanimous consent for its present consideration.

The resolution (S. Res. 49) was read, as follows:

Resolved, That the Committee on Appropriations, or any subcommittee thereof, be authorized during the Sixty-fourth Congress to send for persons and papers and to administer oaths, and to employ a stenographer, at a cost not exceeding \$1 per printed page, to report such hearings as may be had in connection with any subject which may be pending before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions of the Senate.

Mr. SMOOT. Mr. President, I think the resolution should be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. MARTIN of Virginia. I will say to the Senator that the resolution is in the stereotyped form of all such resolutions.

Mr. SMOOT. Will there be any expense attached to it?

Mr. MARTIN of Virginia. I presume there will be expense if hearings are held.

The VICE PRESIDENT. The Chair is of opinion that the resolution should be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, and it will be so referred.

ARMY POSTS.

Mr. KENYON. I submit a resolution requesting certain information from the Secretary of War, and I ask unanimous consent for its immediate consideration.

The resolution (S. Res. 48) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of War furnish to the Senate, if not incompatible with public interest, the following: A statement showing—

First. A list of all Army posts in the United States and their locations.

Second. The amounts that have been expended in the establishment and construction of each of said Army posts.

Third. The amount expended yearly for the last 10 years in maintaining each of said Army posts, and if any of them have not been maintained for said years the amount expended during the years they have been maintained.

Fourth. The use now being made of each of said Army posts and the use that has been made during each year of their existence for the last 10 years.

Fifth. Whether or not all of said Army posts are of military necessity in properly carrying on the work of the War Department.

Sixth. Whether or not some of said Army posts, in the interest of economy and without diminishing efficiency, could be abolished or consolidated; and if so, which ones.

AMENDMENT OF THE RULES.

Mr. SHEPPARD. Pursuant to the notice I gave on yesterday, I submit the following resolution:

The resolution (S. Res. 50) was read and referred to the Committee on Rules, as follows:

Resolved, That Rule XXV, of the Standing Rules of the Senate, be amended as follows:

Insert after the paragraph which reads, "A Committee on Revolutionary Claims, to consist of five Senators," a new paragraph to read as follows:

"A Committee on Roads, to consist of 17 Senators, to which shall be referred all proposed legislation relating to the construction and maintenance of roads."

THE PUBLIC REVENUE.

Mr. SHERMAN. Mr. President, I wish to give notice that on Thursday, the 13th instant, I shall address the Senate on so much of the President's annual message as relates to the public revenue.

CONDITION OF JEWS IN COUNTRIES AT WAR.

Mr. MARTINE of New Jersey. I ask unanimous consent to take from the table Senate resolution 45, submitted by me on yesterday, but which, on the request of the Senator from Missouri [Mr. STONE] was laid over until to-day.

The VICE PRESIDENT. The Chair lays before the Senate the resolution, which will be read.

The resolution (S. Res. 45) was read, as follows:

Whereas in the various countries now engaged in war there are 9,000,000 Jews, the great majority of whom are destitute of food, shelter, and clothing; and

Whereas millions of them have been driven from their homes without warning, deprived of an opportunity to make provision for their most elementary wants, causing starvation, disease, and untold suffering; and

Whereas the people of the United States of America have learned with sorrow of this terrible plight of millions of human beings and have most generously responded to the cry for help whenever such an appeal has reached them; Therefore be it

Resolved, That, in view of the misery, wretchedness, and hardships which these 9,000,000 Jews are suffering, the President of the United States be respectfully asked to designate a day on which the citizens of this country may give expression to their sympathy by contributing to the funds now being raised for the relief of the Jews in the war zones.

Mr. MARTINE of New Jersey. Mr. President, I most respectfully ask for the adoption of the resolution.

Mr. STONE. Mr. President, on yesterday when the Senator from New Jersey offered the resolution and had it read I was engaged in conversation with some Senators near by, so that I only heard a part of it and hence asked him to let it go over until this morning, which he kindly consented to do. Before the holiday adjournment the Senator from Indiana [Mr. KERN] offered a resolution very similar applying to the Polish people who have suffered as a result of the war, and it was unanimously agreed to. I see no reason whatever why this resolution of like kind should not be agreed to. The reasons that induced the Senate to act favorably on the resolution offered by the Senator from Indiana certainly apply in the present instance; and, as I have said, I see no objection, Mr. President, to the adoption of this resolution, as I saw no objection to the adoption of the one offered by the Senator from Indiana.

The Poles and the Jews of Europe have no distinctive government of their own. Their position is anomalous. I would question very much the propriety, whatever the sympathy of Senators might be, of having the Congress, or either branch of it, take action of this general character with respect to any of the organized nations engaged in war. We have heard more or less sympathetic expressions on the floor of the Senate in the past respecting Belgium, and possibly Serbia; but I think Belgium and Serbia, being organized nations, hold a different attitude with respect to our Government from that of the Poles or the Jews.

Mr. GALLINGER. Mr. President—

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from New Hampshire?

Mr. STONE. I do.

Mr. GALLINGER. I have been listening with interest to the Senator. Does not the Senator think that our sympathies and our contributions, if need be, should go out to the Armenians quite as much as to these other people who have not organized governments? I say that not out of hostility to this resolution at all.

Mr. STONE. Yes, I understand; and, of course, I think it would be a beautiful tribute and expression of American generosity and kindness to have our sympathy and our contributions go out to the people of Armenia or to any other people who need them.

Mr. President, I hope the resolution will be adopted.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

AFFAIRS IN MEXICO.

Mr. FALL. Mr. President, I ask the Chair to lay before the Senate the resolution which I offered on yesterday. I think it is Senate resolution 42.

The VICE PRESIDENT. Does the Senator desire to have it read?

Mr. FALL. I do.

The VICE PRESIDENT. The Secretary will read the resolution.

The resolution (S. Res. 42), submitted by Mr. FALL on the 5th instant, was read, as follows:

Resolved, That the President be requested, if not incompatible with the public interests, to inform the Senate upon the following subjects and to transmit to the Senate the documents, letters, reports, orders, etc., hereinafter referred to.

First. Is there a government now existing in the Republic of Mexico; and, if so,

Second. Is such government recognized by this Government; how is such government maintained and where; who is now the recognized head of such government and is the same a constitutional government?

Third. By what means was the recognition of any government in Mexico brought about and what proceedings, if any, were followed prior to and resulting in recognition, in any conference between this country and Argentina, Brazil, Chile, Guatemala, and any other country or countries?

Fourth. What assurances has the government of Mexico given this Government as to its course in protecting American lives and property in Mexico and in Texas, New Mexico, Arizona, and California; and, if such assurances have been given, what evidence has this Government of the ability of such government to fulfill its promises and obligations in the premises?

Fifth. What orders or instructions have been issued to our officials and armed forces on or near the Mexican border for the protection of the lives, property, and peace of American citizens along said border?

Sixth. What assurances have been received from the Mexican Government, or requested by this Government, as to payment of American damage claims for injury to life or property of our citizens resulting from the acts of Mexico, or citizens of that country, within the past five years?

Seventh. What assurances have been given by the Mexican government as to the protection of foreigners and citizens, and particularly in the free exercise of their religion in public or in private?

Eighth. Reports of the Brazilian minister to Mexico, made to this Government by letter or otherwise, while said minister was representing this Government in Mexico; also reports of American consuls and consular representatives in Mexico during the past four years, together with reports from any special or other sources of information available or in hand, concerning or relating to Mexican affairs and conditions or to Mexican officials or military and factional leaders, reports of the actions of the Red Cross in Mexico, and their reports to this Government.

Ninth. Data, letters, and reports relating to the closing of the port of El Paso and reopening same to importations of meat from Juarez, and also to the setting aside or revocation of any decrees or orders of Villa concerning mining property.

Tenth. Information concerning the occupation of Vera Cruz by our land and naval forces, duration of such occupation, our administration of affairs during such occupancy, and the date and cause of the evacuation of Vera Cruz, with all correspondence concerning such evacuation.

Mr. FALL. Mr. President, the purpose of this resolution, of course, is made clear by its contents as read. The last official word which we had from the President of the United States as to Mexico, or as to conditions in Mexico, as to the existence of a government or the nonexistence of a government in Mexico, was in his message to the Congress of the United States of April 20, 1914, wherein he asked the Congress to ratify his act in sending the land and naval forces of the United States to occupy Vera Cruz and to secure from the then de facto Government of Mexico reparation for insults offered the flag of the United States.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER (Mr. BECKHAM in the chair). Does the Senator from New Mexico yield to the Senator from Nevada?

Mr. FALL. For the purpose of a question.

Mr. PITTMAN. I do not desire to interrupt the Senator's speech, since he is making an address on the subject; but I desire to know, as a matter of information, whether or not the calendar has been disposed of.

Mr. FALL. That information is for the Chair and not for the Senator from New Mexico to extend.

Mr. PITTMAN. I was awaiting, of course, to be informed by the Chair. Has the morning business been closed?

The PRESIDING OFFICER. The Chair understands it has not been.

Mr. LODGE. Morning business has not been closed. This is morning business, coming over from a previous day.

Mr. PITTMAN. As I understand the rule in this matter, then, the remarks at this hour on morning business are limited to five minutes to each Senator. Of course I do not have any idea of raising that question. That was not my object in ad-

ressing the Chair. I simply want to insist that the calendar be taken up in its proper order and manner from now on.

Mr. FALL. If the Senator is making a point of order, of course I will yield for that purpose. I yielded for a question. If the Senator has a point of order to make, of course he has a perfect right to make it.

Mr. PITTMAN. Mr. President, I will not raise the point of order this morning.

Mr. FALL. I thank the Senator.

Mr. President, in the message sent or delivered to this Congress on April 20, 1914, the President of the United States said that "if we are to accept the tests of its own constitution, Mexico has no government." We had heard from the President of the United States prior to April 20, 1914. In his message of December 2, 1913, the President informed the Congress that "Mexico has no government." He further informed the Congress at that time that "we are the friends of constitutional government in America." We had heard from the President prior even to December 2, 1913, when in a message he said to the Congress of the United States that he had sent a personal representative to Mexico to demand of the de facto government of Mexico certain things.

Among the demands which he stated to us he had made upon the de facto government of Mexico, as he claimed it to be—the constitutional government of Mexico, as Mexico claimed it to be, and as it was recognized to be by the majority of the great nations of the world—the President said to the Congress that he demanded, in the absence of any "universally acknowledged political authority there," that security be given "for an early and free election in which all would agree to take part" and "all parties to abide by the result."

In 1913 the President of the United States demanded that prior to recognition of any government in Mexico there should be a fair and free election in which all citizens should take part and all should agree to abide by the result. On the opening of this Congress, as is customary, the President of the United States delivered a message to the Congress. Remember that we had heard nothing from him since April 20, 1914, with reference to Mexico until on December 7 he addressed the Congress. His only reference to Mexico in his message was in the words which I shall read. These words followed an expression of opinion from the President of the United States as to our course with reference to Latin America generally; and he says:

We have been put to the test in the case of Mexico and we have stood the test. Whether we have benefited Mexico by the course we have pursued remains to be seen.

In view of the doubt expressed by the President of the United States as to whether some course which has been pursued by this Government, without Congress being informed as to what that course was, will inure to the benefit of Mexico, certainly the Congress of the United States is entitled to know officially what has been done by this Government with reference to Mexico since April 20, 1914. Therefore I propose that we should request of the President information, first, as to whether there is a government in Mexico; second, whether he has recognized that government.

We are to presume that some government has been recognized by the President of the United States as existing in Mexico, because we now have pending before the Senate of the United States—the coordinate branch of the United States Government which must be consulted and join with the President in these constitutional matters—the nomination of an ambassador to Mexico. We are asked to confirm the nomination of an ambassador to a country which, judging from the last word uttered by the administrative department of this Government, has no government—de facto, de jure, constitutional, or otherwise.

If, since the last message of the President upon this subject, circumstances have arisen which have justified him in the recognition of some government in Mexico, Congress should have been informed before or at the time the nomination of the ambassador was sent in, provided the course heretofore universally pursued by Presidents of the United States, from the time of Washington down to that of Woodrow Wilson, had been followed; provided we are not to do in this matter as we have done in various others—break precedents, rather than follow them.

Mr. President, I would be the last Senator to question the undoubted right of the President of the United States to recognize a foreign government. This recognition can be effected in many ways—by the appointment of an ambassador, for example, or by accepting an ambassador, granting exequaturs to ambassadors or diplomatic officers sent here by such government as requests recognition. No one questions this right in the President of the United States. But in no instance, in so far as I have read the diplomatic history of this country, has any President ever, under any circumstances, recognized a new government or

a change in an old government without imparting to the Congress of the United States his reasons for such recognition, together with the fact that he has so recognized such government. Numerous instances can be cited to sustain this proposition, if necessary, and to the general proposition I know of no exception.

This being the case, Mr. President, and particularly in view of the doubt expressed by the President as to whether some action which he has taken with reference to Mexico will be of any avail to that country, it is certainly the duty of the Congress of the United States, which is called upon now under the Constitution to act jointly with him with reference to Mexican affairs, to request most respectfully of him information as to such affairs and the basis upon which he has acted, if he has acted, and the basis upon which he has sent to the Senate of the United States the name of an ambassador to Mexico, when the last word we had heard from him was that there was no government and that he refused to recognize a government except under certain circumstances.

I for one would like to know, and I think the Senate and the Congress and the people of the United States would like to know, whether there is a government in Mexico, whether it has been recognized by the Government of the United States; and they would like to know, Mr. President, whether the President of the United States has been able to enforce his ideas as he has expressed them, not only to the Congress but also to the people of the United States, in his Indianapolis speech, for example, with reference to Mexico, and the various speeches he has made upon various occasions to various bodies upon what should be done in Mexico. I should like to know, for example, if the magnificent sentiments which he uttered to Mr. Blythe and which were reported by Mr. Blythe in an interview in the Saturday Evening Post have been carried out by the President in action. I should like to know, Mr. President, what the action of the Government of the United States has been, and compare it with the fair words and the manly phrases of the President of the United States.

Now, as to this inquiry and as to whether it is proper. Mr. President, some very high authorities have spoken with reference to the duty of Congress in matters of this kind. I am going to read, Mr. President, from one:

It is the proper duty of a representative body to look diligently into every affair of government and to talk much about what it sees. It is meant to be the eyes and the voice and to embody the wisdom and will of its constituents. Unless Congress have and use every means of acquainting itself with the acts and the disposition of the administrative agents of the Government, the country must be helpless to learn how it is being served; and unless Congress both scrutinize these things and sift them by every form of discussion, the country must remain in embarrassing, crippling ignorance of the very affairs which it is most important that it should understand and direct. The informing function of Congress should be preferred even to its legislative function. The argument is not only that discussed and interrogated administration is the only pure and efficient administration, but, more than that, that the only really self-governing people is that people which discusses and interrogates its administration. * * * It would be hard to conceive of there being too much talk about the practical concerns and processes of government. Such talk it is which, when earnestly and purposefully conducted, clears the public mind and shapes the demands of public opinion. (Congressional Government, 1885, pp. 303-304.)

And again, Mr. President, the same authority speaking of the difficulty encountered by the Congress of the United States in obtaining information from the administrative officers, says:

[From State and Federal Governments of the United States, by Woodrow Wilson, 1889. (Par. 232, "The Senate and the Executive," pp. 101-102.)]

But it is not always easy to get legislative questions fully and correctly answered, for the officers of the Government are in no way responsible to either House for their official conduct; they belong to an entirely separate and independent branch of the Government; only such high crimes and misdemeanors as lay them open to impeachment expose them to the power of the Houses. The committees are, therefore, frequently prevented from doing their work of inquiry well, and the Senate has to act in the dark.

The last quotation, Mr. President, that I may not be misunderstood as I have been before in making quotations in the Senate from possibly not so high authorities, I will state is from the discussion of the Senate and the Executive as contained in the "State and Federal Governments of the United States," by Woodrow Wilson. The first quotation is from "Congressional Government," by Woodrow Wilson.

Mr. SHERMAN. May I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Illinois?

Mr. FALL. I do.

Mr. SHERMAN. Along in the same connection, if I remember the authority correctly, did the Senator find that the author opposed cloture in the Senate and said that the Senate was a council of revision which furnished the most valuable part of congressional Government?

Mr. FALL. I think so. I have found various expressions from the same high authority as to the necessity for "pitiless publicity" bearing upon the deliberations of the Congress of the United States, and various expressions as to secret caucus legislation and secret committee legislation, and as to the deliberations of Congress and the entire Government of the people being controlled by a few strong men heading committees, and have found insistence upon publicity, insistence upon discussion, as repeatedly the same author has insisted upon discussion and full deliberation in legislative halls.

Now, Mr. President, in view of the authority which I have quoted, I think we are entitled to ask an answer and as early an answer as convenient from the administrative department upon the propositions touched upon in this resolution.

In examining other authorities upon this subject, scrutinizing the acts of other Presidents of the United States, it will be found that even where the President of the United States, as in Mexico in 1848 and 1849, had no minister representing this Government and where the President appointed a special representative to examine into affairs that he might act intelligently as the President of the United States—as we are informed, through the press, that President Wilson has repeatedly done with reference to Mexico—the President of the United States upon the first meeting of Congress has seen fit invariably, as was done by Mr. Buchanan in the instance cited, to convey the information to the Senate as to what he had done and to say to them in sending in Mr. McLane's nomination as the ambassador to Mexico that he had instructed Mr. McLane to recognize the Juarez government, because, upon examination, he had discovered that Juarez was the constitutional President of Mexico.

Without an exception, in so far as I have been able to discover, Mr. President, every President of the United States heretofore has invariably fully informed Congress, of his own motion, as to these matters. I recall one instance in which President Jackson, who has been spoken of rather favorably by the eminent author from whom I have quoted, sent a message to the Congress of the United States, in which he said he would not raise the question as to whether it was his constitutional prerogative or whether he should act jointly with the Congress of the United States in the recognition of a foreign government. As late as 1877, with reference to Mexico, almost a similar condition of affairs existed apparently as exists now, when Diaz claimed to be the constitutional President of Mexico.

Upon investigation during the recess of Congress the President of the United States convinced himself that he was the de facto governing power or President of Mexico, and he stated to Congress the reasons for such belief at its first meeting, saying that he would have recognized him as President of Mexico except for the fact that there was a disturbance at Brownsville, Tex., on this side of the river, caused by marauding bands of Mexicans coming from the other side, and that therefore he had so far failed to recognize Mr. Diaz. He did later in 1878 recognize Diaz as the President of Mexico, but it was after the United States Government, under the orders of the Secretary of War, had sent armed troops of the United States across the Mexican border in pursuit of those marauding bands and had recaptured the stolen property and punished the thieves and murderers. It was after a Secretary of State of the United States had notified Mexico that the first duty of a Government was to protect its citizens, that it made no difference to this Government how such protection was brought about, whether enforced by treaty, by judicial decision, by administrative action, or whether it must be forced at the point of the rifle; and in this instance he notified the minister that the protection of Americans on this side of the line and the punishment of those who had assaulted them or attacked them would be meted out to them in Mexico if they should not be caught in this country. Mr. Evarts was Secretary of State, and his communication was to Mr. J. W. Foster, ambassador to Mexico and father-in-law of the present Secretary of State.

Without exception, as I have said, Mr. President, it has been the universal custom to send to the Senate and to the Congress of the United States, certainly in every annual message of the President, full information as to foreign affairs and as to matters of importance involving this Government.

During this administration alone, for the first time in my knowledge, so far as I am able to read history, has any President dared to ignore the coordinate branch of the Government, the Congress of the United States, as it has been ignored in almost every instance by the present occupant of the White House.

Mr. President, I have read some of the words of the President as to what he should demand in Mexico prior to recognition of the government. The matters which I have referred to as having been given utterance to in public speeches I shall not refer to at length. I have confined myself to those words which were uttered to the Congress of the United States. He has uttered other words, Mr. President, also with reference to what he should do in Mexico. When he said that Mr. Huerta had refused his demands, in closing his message to the Congress of the United States, he said:

We should let everyone who assumes to exercise authority in any part of Mexico know in the most unequivocal way that we shall vigilantly watch the fortunes of those Americans who can not get away, and shall hold those responsible for their sufferings and losses to a definite reckoning.

Now, Mr. President, mark the significance of those words. We should notify all those responsible for the suffering or injuries to Americans in Mexico that we should hold them to a definite reckoning. These were brave words, Mr. President, uttered in 1913. I should like to know, and I have no doubt other Members of Congress would like to know, whether in the recognition of a de facto or "first chief" government in Mexico the President of the United States has required of him assurances that those guilty of inflicting suffering and outrage upon the citizens of the United States should be held to a "definite reckoning." I should like to know, and I have no doubt other Members of Congress would like to know, whether there was any arrangement made prior to the recognition of the Government of Mexico with reference to payments for damages heretofore done, damages caused by destruction of property, by destruction of life, by assaults upon American citizens. I should like to know, and I have no doubt Congress would like to know, whether similar words to those uttered by Evarts, Secretary of State, and McCrary, Secretary of War, in 1877 and 1878, have been uttered by this administration prior to the recognition of a de facto government in Mexico.

Mr. President, I am for one tired of seeing the United States, by treaty, by act, by recognition, tied hand and feet as this administration has demanded that it do tie itself in everything, and then get nothing. I want to know before I vote to confirm an ambassador to any Mexican government whether any assurances have been given by that government that outrages shall be, at least, paid for. The general impression seems to be that any foreign nation can with a few dollars satisfy the conscience of the people of the United States and continue to perpetrate such outrages as they may choose to perpetrate upon its citizens. I should like to know whether when allowing the land forces of Mexico to pass through our borders for the purpose of crushing one faction in Mexico we had secured from the faction we were assisting with our forces any assurances that damages heretofore done should be paid for and that damages hereafter to be inflicted, if any are inflicted, should be recompensed at any rate. What assurances have we? Are we not entitled to that information before we are asked to confirm an ambassador? Clearly, Mr. President, I think we are.

Mr. President, I might take up much more time of the Senate in discussing this matter, and I shall have much more to say about it in the future. I have not attempted to go into Mexican affairs this morning, but simply to discuss this resolution from the standpoint that it should be adopted, and that the request contained in it should be complied with. I know that if that information is not obtained I may be able hereafter to impart some from knowledge which I possess.

Mr. President, one phase of this matter which impresses me very strongly is this. If Carranza has been recognized by this Government lately, it would not be the first time that we had practically recognized Mr. Carranza and put him in power in Mexico. We invited him into what is known as the Niagara Conference—the A B C mediation—which was called for the purpose of settling troubles between Woodrow Wilson and Victoriana Huerta concerning a certain flag incident. We invited Carranza to send delegates to that mediation in the attempt to settle the entire Mexican question.

Shortly after the adjournment at Niagara Falls Mr. Huerta left Mexico, turning the city and the archives over to Mr. Carbajal. The Government of the United States was called upon to obtain assurances from Carranza, before permitting him to take over the reins of government from Carbajal, for the protection of life and property in the City of Mexico of Mexican citizens and of foreign citizens, as well as those of citizens of the United States. Mr. President, I should like to know whether the newspaper reports to the effect that this Government refused to demand such assurances at that time were correct. I have no other source of knowledge.

Carranza took charge of the City of Mexico; and there is this difference between the status at that time and at the

present: He has not dared to go into the City of Mexico since his recent recognition by this Government. The newspapers on yesterday reported that Mr. Carranza had called Pablo Gonzales, his officer in command in the City of Mexico, and Alvaro Obregon, the commander of the Department of the North, into consultation with him; that the matter to be considered, as given out from the State Department to the newspapers—not to Congress—was the re-formation of a cabinet. Now, recall for a moment the fact that, in so far as our information goes, Mr. Carranza does not even pretend to be the president pro tempore of Mexico, and is, as we read through the newspapers in the words from the State Department, recognized by this Government as the "first chief of the de facto government" of Mexico. Yet we are now told that he is forming a cabinet and has summoned two of his generals there for the purpose, apparently or presumably, of assisting or counseling in the formation of a cabinet.

Where is this meeting to be held—in the capital of Mexico? Not at all. Under the constitution of Mexico, under the laws of Mexico, Mexico City is the capital of Mexico. This meeting is to be held either in the town of San Luis Potosi or of Queretaro, between 100 and 300 miles from the City of Mexico. Why not in the city, if there is a government in Mexico fit to be recognized by this Government? Why should not the formation of a cabinet at least be left until Mr. Carranza takes full charge in the City of Mexico? Is it possible that the rumors afloat on the border, throughout Mexico, and in various parts of this country are true that Pablo Gonzales occupies one portion of the City of Mexico and Emiliano Zapata the other, and that they are jointly levying taxes and dividing the revenues between them? Is it possible that the rumors are correct that Mr. Carranza occupies and controls Tampico bay, city, and harbor, and that the great oil fields of Tuxpam are controlled by the Villistas, and that the Villistas and the Carranzistas are jointly levying taxes upon the owners of the oil wells there and dividing the revenue? We have no knowledge about it.

Mr. BRANDEGEE. Mr. President—

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Connecticut?

Mr. FALL. I do.

Mr. BRANDEGEE. Do I correctly understand the Senator from New Mexico to say that Mr. Carranza does not even pretend to be the President of Mexico?

Mr. FALL. He does not; and not only does he not pretend to be so, but, if the Senator from Connecticut will permit me to answer him in my own words, the cause of the breach between Carranza and his generals was that upon their written demand, signed by Alvaro Obregon, commander in chief of the Department for the Northwest, and Francisco Villa, the commander in chief of the Department of the North, he refused to become president pro tempore.

Mr. BRANDEGEE. My purpose in asking that question, Mr. President, is to further ask the Senator from New Mexico to whom the ambassador, whose name has been sent to the Senate for confirmation, purports to be accredited?

Mr. FALL. I can not answer from knowledge. I am asking information from the President upon that subject. I can only answer upon the best of my information and belief. He is designated officially by the Government of the United States as "the first chief of the de facto government of Mexico." I think that is his official designation, as carried in the Department of State.

Mr. BRANDEGEE. The Senator from New Mexico does not mean to say that the President has so designated an ambassador?

Mr. FALL. My information, sir, is that he is so designated by the Department of State, at least.

Mr. LODGE. Carranza is so designated.

Mr. FALL. That Carranza is so designated by the Department of State of this Government, and that we are now being asked to send an ambassador to the first chief of the de facto government of Mexico.

Mr. BRANDEGEE. An ambassador to a first chief?

Mr. FALL. An ambassador to a first chief; remarkable, sir, as that may sound to the Senate.

Mr. BRANDEGEE. And not to the second chief?

Mr. FALL. We have had ambassadors, but not so designated, to the second, third, fourth, and fifth chiefs. We have had "ambassadors," confidential agents, to Villa, to Pablo Gonzales, to Mytorena, to Carranza, to Zapata, and to how many others I do not know. Of course, not constitutional "ambassadors," but "personal representatives."

Mr. BRANDEGEE. But the Senate was not asked to confirm those gentlemen?

Mr. FALL. No; nor has the Senate been informed as to them, Mr. President. I am asking in this resolution that the

Senate be informed as to the reports of these confidential agents. I know that we have no right to demand such information; it is simply a question as to whether the President chooses to give to Congress the information upon which he has apparently acted in the recognition of some one as a first chief of a de facto government of Mexico, and to whom he asks you to accredit an ambassador.

Mr. JONES. Mr. President—

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Washington?

Mr. FALL. I yield to the Senator.

Mr. JONES. The Senator has referred to two or three different places where rumor states that the Villa and the Carranza people are levying taxes or tribute, or something of that kind, and dividing it up. The Senator says we have no information. Have we none of our confidential agents or representatives of our Government at any of those points who might furnish it?

Mr. FALL. Certainly we have.

Mr. JONES. Could they not furnish us information as to whether or not these rumors are true?

Mr. FALL. Provided the President thinks it "compatible with the public interests" to inform the people of the United States, through their representatives, they can, I presume, furnish the information.

Mr. JONES. The Senator's resolution would cover that information?

Mr. FALL. The resolution is intended to cover that.

Mr. President, I do not wonder that the President expressed doubt as to whether our actions in Mexico will be of any benefit when I recall the fact that with our troops at Vera Cruz, making it possible for him to do so, Mr. Carranza once before entered the City of Mexico and proceeded to discharge the duties of "first chief," refusing, as I have said, to become President pro tempore. Of course, the Senator from Connecticut understands why this refusal was made. Others may not understand, and therefore I will state that I presume it was because under the Mexican constitution if he proclaimed himself or allowed himself to be proclaimed President pro tempore he could not succeed himself and be a candidate for election at the general election for the presidency.

I am not going to weary the Senate, Mr. President, with an account or attempted account of what took place during Carranza's three months' administration in Mexico, when he had practically the same recognition extended him as he has now, when our troops were still at Vera Cruz, where they could maintain or assist in maintaining him in power; but I am going to ask in closing that there be printed with my remarks in the Record a portion of page 7 of the New York World of Sunday, December 13, 1914. The reporter for the World assumes to give a correct account of what took place during the Carranza administration in the City of Mexico. The paper itself, I believe, is recognized as authority in some circles, and I for one desire to say that I recognize it as a very great newspaper; and when I saw an article such as this, covering several columns, published in that paper I presumed, as I have a right to presume, that the information contained was as correct as it was possible to give it. The correspondent writes from the City of Mexico just as the Carranzistas are evacuating that city. After speaking of the innumerable horrors, of the outrages perpetrated, and then referring to the enforced evacuation of the city by Mr. Carranza, the correspondent closes:

Scenes at the Buenavista Station of the Mexican Railway reminded one of a thousand moving days combined. Train after train drew out in the direction of Vera Cruz loaded down with every conceivable sort of plunder—motors, furniture, horses, pianos, paintings, safes. It was a sight to make professional burglars and second-story men weep with envy. Nothing like it was ever seen on this continent. Huerta and his mob were amateurs compared with the Carranzistas. The Huerta crowd seldom stooped to petty larceny. If a town or government was ever subjected to the vacuum-cleaner method of pillage, it was the capital of Mexico at the hands of the Carranzistas.

There are other extracts which I might read couched in equally strong language, Mr. President, but I will simply ask, before closing, that the article to which I have referred may be printed in the Record as part of my remarks.

The PRESIDING OFFICER. Without objection, permission is granted.

[The article referred to will be found at the end of Mr. FALL's remarks.]

Mr. FALL. Now, Mr. President, I want to say that I am asking the Senate to join me in requesting this information from the President, not now in a spirit of criticism toward the President for anything which he may have done. He may have done—and I say so frankly—the best thing possible in recognizing some one with whom we might officially deal in Mexico and recognizing him in some capacity where he might be held responsible. I in common with every other citizen of the United

States knowing anything about Mexico, Mr. President, do hope from the bottom of my heart that the doubt expressed by the President may in a short time be removed, and that the results may prove that his action in dealing with Mexico has been for the benefit of that country; but I hope as sincerely—and I am selfish enough to say it, because I am one who is not governed entirely by sentimental considerations for alien people alone—I do hope, sir, that the result of such action will be proven in a short time to have been for the benefit of American citizens in Mexico and of the United States generally.

Remember, Mr. President, that the brave words spoken by the President in his message in saying that those responsible for damages or for injuries to American citizens would be held "strictly accountable" have a familiar sound. We have since read something of the same character in the newspapers. If I recall correctly, almost a similar phrase was used in a note to a great power in February, prior to the sinking of the *Lusitania*. In that note, the words "strict accountability" were used. It may be possible, Mr. President, that—and it is a matter for future consideration—when, after uttering such words as these, we allowed American citizens to be shot down, not only in Mexico but within our own borders, and when our own troops placed on the border to guard American citizens were shot to the number of 47 and were withdrawn 3 miles behind a hill, where they might be safe from Mexican bullets—it may be possible, when we continued to permit American women to be outraged in Mexico, that, even without a hint thrown to the ambassador of a foreign nation, those strong words used in that note prior to the sinking of the *Lusitania* were construed to be simply for home consumption. It may be, sir, that, without that rumored intimation, but in view of our action in Mexico or of our failure to act after similar words, other Governments have conceived such a contempt for this Government that they imagine they can with impunity continue to attack and murder American citizens.

The article from the New York World of Sunday, December 13, 1914, which Mr. FALL secured permission to have printed in the Record, is as follows:

CARRANZA CROWD IN BIG SCRAMBLE FOR LOOT IN END—HE HIMSELF HAD BEEN "MERELY TOLERATED AS A FIGUREHEAD OF A SO-CALLED GOVERNMENT BY THE GANG OF GRAFTERS, INCOMPETENTS, ADVENTURERS, AND HIGHBINDER WHO SURROUND HIM"—NEVER HAD ANY REAL POWER IN THE MEXICAN CAPITAL—DIDN'T DEAL SQUARE WITH AMERICAN GOVERNMENT—DELIBERATELY PLANNED TO LEAVE THE CITY DEFENSELESS IN THE HOPE THAT THE ZAPATISTAS WOULD COME IN AND "LOOT, BURN, AND KILL"—FOREIGN REPRESENTATIVES IGNORED WARNING, AND BLANCO DECEIVED THEM.

MEXICO CITY, November 30.

Some indication was given several weeks ago by the writer hereof of conditions in this city under the rule of Carranza. It was apparent at that time that precisely those conditions—wholesale and ruthless confiscation of houses, automobiles, and other private property, relentless political prosecutions and a general all-around disposition to grab rather than to govern—demonstrated clearly to anyone who chose to read the signs right that Carranza's days of power were numbered.

"Days of power" is a misnomer. Carranza while in Mexico City never had any real days of power, nor of authority either. He merely was tolerated as a figurehead of a so-called government by the gang of grafters, incompetents, adventurers, and highbinders who surrounded him. They stood for Carranza because they could use him for their own ends: because he was too weak and impotent to check their profligate use of the position to which they had been elevated by revolutionary upheaval; because, in reality, they were the government and Carranza the subordinate factor. Upon his shoulders falls the blame, the ignominy, the contempt for the colossal debacle of his three months of maladministration in the capital of the republic.

It is nothing less than true to declare that aside from the carnival of grand and petit larceny that amazed and disgusted all beholders through the 90 days that the Carranza gang had the town by the throat the only two accomplishments of his administration which one remembers readily are these, the presentation of Huerta's grand piano to the prisoners in Belem, to be used for their amusement, and the setting aside for hospital purposes of the premises of the aristocratic Jockey Club in Avenida San Francisco. Merely this and nothing more.

LEFT A NEW VERB BEHIND HIM.

What was presaged in late September now has come to pass. Carranza and what followers remained loyal to the national treasury and him have retired in the general direction of Vera Cruz. Behind them they have left a rank odor and a new verb to enrich the Spanish language—"carranciar" (meaning "to steal"). This creation is the quaint conceit of the nimble wits of the cafés, but it has been adopted generally by the populace. For instance, when Gen. Pacheco, the generalissimo in charge of the Zapatista forces in the Federal District, came riding into town the other day some of his admirers sought to give him a fine white horse, one of those left behind by Gen. Lucio Blanco when he ran away last week. The general, a typical old Indian in appearance, looked over the steed carefully and grunted: "Carranciado, no?" Or, in English, "Stolen, what?" Then he waved back the horse upon those who sought to present it, with this comment: "Very fine for the city, but for campaigning through the country give me my good old plug here," indicating a dejected-appearing pony, with numerously branded flanks, that stood near by with drooping head and battered accoutrements.

CAUSES OF CARRANZA'S FAILURE.

One does not need to seek afar to locate the causes for Carranza's failure. They are not esoteric. Sheer stupidity and pig-headedness are two of them. Inherent incompetence for governing is another. Lack of a sense of proportion is a fourth. Consuming and bitter jealousy and

hatred of Villa figure in the list. There are others too numerous to mention.

Carranza established himself in the national palace and surrounded himself with as dazzling an array of small, incompetent men as could be found in a day's search among the unemployed haunting the intelligence offices of Sixth Avenue. There was not in the whole cabinet a man above the level of mediocrity, excepting Villareal, his first minister of finance, who resigned rather than stand for Carranza's foolishness. Three or four of the ministers were rather flash fellows, who spoke English well and, so far as surface indications went, looked to be "the goods." But they weren't by a long shot. These fellows, aided by some of the military jefes, twisted and manipulated Carranza to suit their ends, fanned the flame of his antagonism to Villa, and largely aided by their advice and machinations in bringing about the final and open break between Carranza and Villa.

While Carranza was blundering and maundering futilely over affairs of state in the national palace and scheming how to chisel Villa out and cement himself in the other fellows were running the town and the alleged government to suit themselves. It is impossible to point to a single constructive act performed by Carranza while in office or to any intelligent, virile effort put forth to combine the discordant elements in the constitutionalist ranks with the idea of getting the country back on a peaceable, effectively working basis.

NOT HONEST WITH WASHINGTON.

The man was not even honest and square in his dealings with the United States Government, which, as everyone knows, did as much as the constitutionalists themselves to rid the country of Huerta. He lied, shuffled, quibbled, and was absurdly arrogant in his official dealings with those whom Washington has to represent it here. There is not the shadow of a doubt that Carranza gave his approval to a wicked essay on the part of one of his officeholders to arouse the people to repeat the anti-American demonstration that took place here in April last. This was done by a manifesto purporting to be issued by Mexican members of the Masonic fraternity, calling upon the citizens to arm and oppose the continuance of the occupation of Vera Cruz by the American forces. Carranza had already left the capital when this pleasant scheme was hatched. He was mightily worried lest the Americans should not quit the port in time for him to take refuge there before the advance of the Villistas. The manifesto fell flat.

Finally, in desperation, Carranza was forced to do what he had before repeatedly and impudently refused—to accede, as the price of evacuation of the port, reasonable guarantees respecting the legalizing of Funston's acts there and protection for the lives, persons, and properties of the citizens of the port. These given, we promptly got out, and Carranza took earth in Vera Cruz.

As this is being written—as an example of how Carranza kept his promise—news has come of an attempt to levy a forced loan of 6,000,000 pesos upon the banks and commerce of the city and of the landing of marines to protect foreign property in the customhouse from being looted by Carranza's men.

Egged on by the people around him, Carranza imposed conditions relative to his retirement from office that were calculated to render them impossible of acceptance and to force Villa into the field. Carranza might not have had the thing in his mind, but it is impossible, viewing his acts dispassionately, to escape the conclusion that he was working night and main to insure his election as President; certainly he left nothing undone to drive Villa out of the country. Carranza and his crowd clamored that the peace of Mexico and the triumph of the cause of the common people demanded the elimination of Villa from participation in all public affairs.

CAUSE OF THE COMMON PEOPLE.

The cause of the common people received marked consideration under the first chieftainship of Carranza. He encouraged a strike of the tramway employees, who demanded more pay and shorter hours. With promise of government support, they struck and tied up the lines for a week. Thus a condition was created which gave the government an excuse for stepping in and doing what the grafters had been itching to do ever since they struck town—confiscate the tramways and the light and power properties. But when they tried it their courage failed in the face of the loud protests that came from the British and American diplomatic representatives. So they contented themselves with placing an intervenor in charge of the properties and ordering the strikers back to work at the same hours and rates of wage as before.

Other measures for ameliorating the condition of the poor took the form of a compulsory eight-hour workday, which none of the workers wanted; of providing all the cooks and domestic servants with a full holiday on the Sabbath, which none of them cared a whoop about; and of rendering it impossible for anyone to buy a pint of milk or a loaf of bread before 8 o'clock in the morning or 3 in the afternoon. This last had the effect of sending the honest Mexican workingman—whose wife purchases her supplies as and when she wants them—to his daily toil breakfastless because of the impossibility of purchasing food under the rule of Venustiano the Virtuoso before 8 a. m., which is rather late for 6 o'clock breakfasters.

A VILLISTA CONVENTION.

Carranza had wit enough to see, in advance of the convening of the convention of October 10, that there was an imminent possibility of representatives designated by the convention seeking him with the bowstring. The convention was clearly Villista in its sympathies, although not overwhelmingly so. The generals close in, who were within reaching distance of Carranza and the capital, found the pickings so good and the life so easy that they were willing to stand for Carranza a while longer.

The out-and-out Villista generals and others who were not of the Carranza inner circle were determined to eliminate Carranza. But they wanted to do it peaceably. Carranza's supporters in the convention put it squarely up to the Villistas, so that either they had to consent to Carranza remaining at the head of government or unhorse him by rough tactics. The reluctance of the anti-Carranzista delegates to assume the responsibility of plunging the country anew into civil war accounts for the backing and filling, the sparring and side stepping, that took place for nearly a month before the convention finally told Carranza to get out and put Gutierrez temporarily at the head of the Government.

The crack of doom sounded for Carranza the minute he allowed the transfer of the convention from this city to Aguascalientes. Had he been sure of his ground he would have put down his foot and said:

"Gentleman, this convention will meet according to the original program right here in my own bailiwick, where I can keep an eye on what's going on."

But the convention got away from him and his influence, did its work at Aguascalientes, and finally supplanted him.

For the second time the crack of doom sounded its ominous knell for Carranza when he placed in effect the preliminaries of the masterly piece of strategy which comprehended a general retreat all along the line, to be followed by a return in force to crush Villa here in Mexico City. Retreat is fatal to the cause of any leader in Mexico, no matter upon what specious grounds it may be urged, explained, or undertaken. Public opinion sees only the fact and accepts retreat as conclusive evidence that the jig is up with the retreating party.

PLANNING A "GETAWAY."

While he was jockeying with the convention and swapping propositions and counter propositions relative to the joint retirement of himself and Villa, Carranza and those in his confidence were quietly completing their arrangements for making their getaway. Three weeks ago Carranza slipped down to Puebla to spend Sunday and receive the enthusiastic plaudits of his supporters there. He was due back the following Monday. But he never came.

A week ago last Wednesday one of his generals divulged the whole scheme of campaign. It was, briefly, to abandon the capital, establish a temporary capital either at Puebla, Cordoba, or, if the Americans evacuated in time, Vera Cruz; strip Mexico City of troops, allow Villa to come in, circle about, cut him off from the north, and then simultaneously hurl the combined forces of Carranza's army upon him from the north, south, east, and west. Fine in theory, but punk in practice. The success of this plan, as everyone can see, depended upon whether Villa would be complacent enough to fall into the trap and permit himself to be eaten alive by his enemies. At last accounts no lunacy commissions were putting test questions to Villa or doing stunts with his reflexes.

TO LEAVE CITY DEFENSELESS.

Furthermore, it clearly appears in evidence that the Carranzistas deliberately schemed to abandon the city, leaving it defenseless, without a garrison, in the zealous hope that the Zapatistas, who had been kept at bay only by constant fighting in the suburbs ever since Carranza took possession of the city, would swoop into the capital to loot, burn, ravish, and kill. There is not the slightest doubt of this. Carranza, in order to balk Villa, was willing to, and did, expose not only the 15,000 foreigners here but the more than 200,000 of his own people to the tender mercies of the Zapatistas. He did not reckon nor did anyone, that the dreaded Zapatistas, when they did come, would behave a thousand times more humanely, patriotically, and more like honest men than the Carranzistas ever thought of doing.

Something of the consternation, almost frenzied terror, that pervaded the city when the people realized what confronted them may have been indicated to a degree in the censored dispatches of the newspaper correspondents, if any of them were allowed to pass. Whether they did or not, there is no means at present of knowing, in the complete isolation of the city, due to the lack of mail facilities and the restrictions placed upon the use of the cable.

DIPLOMATS APATHETIC.

For nearly 48 hours after a newspaper man had communicated to a certain diplomat full details of the projected abandonment of the city absolutely no steps were taken to prevent leaving the capital defenseless. Representatives here of foreign Governments who were seen a day after the diplomat in question, who was chosen as the recipient of the newspaper man's confidence because of his present predominant activity among his colleagues accredited to Mexico, knew nothing of the matter. Finally, after John R. Silliman, who was appealed to by two newspaper men and who appreciated the imminence of the danger, had received confirmation of the news from Gen. Pesquiera, the acting minister of war, the diplomatic corps began to bestir itself languidly.

The crisis was discussed incidentally at a meeting of the corps called to consider what action to take upon the much more vital proposition of whether or not to accept Carranza's invitation to join him at his temporary capital in Cordoba. If ever a diplomatic corps impressively demonstrated its utter uselessness and incompetency, it was the corps in this city during the 48 hours that ensued from a week ago last Wednesday until Friday. Without exception, they flattered and fribbled futilely and accomplished absolutely nothing in the way of obtaining guarantees for their nationals and the rest of the inhabitants of the Mexican capital.

DECEIVED BY BLANCO.

At length, on Friday, Silliman elicited from Gen. Lucie Blanco assurances that he would remain here with his men to give guarantees to the city. Blanco, it was known, had been divided in his mind whether to adhere to Carranza or obey the will of the convention. Gen. Alvaro Obregon, a strong man, whose influence latterly has been exerted for evil rather than for good, strove hard to keep Blanco in line for Carranza. Blanco followed his promise to Silliman with a manifesto in which, as military commander of the city, he pledged himself to stay here at the head of his forces as long as necessary to keep order. Blanco became a popular hero overnight, not only among the Mexicans but with the foreigners also. Everyone breathed easy again.

On Sunday positive information came to a correspondent that Obregon had won over Blanco, and that Blanco, notwithstanding his assurances to Silliman, would take his men out of the capital with the remainder of the Carranzistas. Blanco and his friends denied this. On Monday night Silliman again called on Blanco and told him frankly that he had been informed that he could not be depended upon to keep his promise. Blanco protested vigorously that the rumor was untrue. Silliman went away satisfied that Blanco would stand true.

NEWSPAPER MEN THREATENED.

Blanco lied to Silliman. At the very moment he and Silliman were talking a manifesto over Blanco's name was being printed. In this manifesto Blanco attacked Villa bitterly and protested his allegiance to Carranza. Copies of this manifesto were given to at least one newspaper and to one correspondent. But Blanco recalled the document before it had scarcely left his hands and gave notice that if it were published or a copy of it were found in any person's possession death would be the penalty.

Blanco tumbled from his hero's pedestal quicker than he had attained it. He sneaked out of the city on Tuesday, followed by the reprobation and contempt of all classes. He left behind a manifesto saying that

through lack of ammunition he found himself unable to resist the incoming Zapatistas and that rather than arouse the ire of the liberating army of the south by ineffectual resistance and expose the inhabitants of the city to the fury of Zapata's soldiers he had determined to retire.

In view of Blanco's plea of scarcity of ammunition it is interesting to note that yesterday there was found hidden away on the outskirts of the city, where it had been abandoned by Blanco in his flight, a million and a half rounds of cartridges and several thousand rifles. Still, the way things turned out, it probably was as well that Blanco did not stay.

In its last days the evacuation of the capital, which began, so far as the troops were concerned, on November 19 and ended on the 24th, was carried out on the *saue qui peut* principle, which every big and little jefe enlarged so as not only to save himself but to save for himself as much of the loot of the national treasury and of the city as he could get his hands on.

Shameless theft was the order of the day. The treasury was cleaned out down to the last centavo. It is a fact that when the Zapatista temporary finance minister took account of stock he found 37,000 pesos in cash in the vaults in the national palace. This money represented payments that had been made after the Carranzista officials had decamped. Later, tucked away in a remote place in the treasury, where it evidently had been hidden and left behind, either through forgetfulness or lack of time in which to retrieve it, bank notes amounting to 137,000 pesos were unearthed.

One of Carranza's right-hand men, who had been conspicuous in the activities of the constitutionalist junta in Washington as a pleader for everything pure in politics and reform for his beloved country, distinguished himself by pouching 50,000 pesos and sallying forth for Vera Cruz with two stolen automobiles. The big thieves were preyed upon by little ones. An underling tore about town, frantically trying to change his master's 50,000 pesos into gold. He succeeded in netting about \$6,000 gold for the entire lot, out of which he calmly sequestered a thousand or so for himself by the ingenious process of reporting to his jefe that he had exchanged the pesos at 9 or 10 to 1 when the actual rate was considerably lower.

Three days before he levanted Gen. Obregon was allowed to draw from the treasury a million and a half pesos in cash "for the maintenance and pay of his forces." Every ounce of gold and silver in the *casa de moneda* or mint was taken out with Carranza. Also there went printing presses, plates, and the entire stock of bank-note paper in the government printing office. The public offices were stripped of fittings, inkstands, typewriters, furniture, rugs, carpets, and curtains. Even the huge presidential chair in the national palace was crated and borne off. It is estimated that automobiles valued at 3,000,000 pesos at least were taken out of the city by the advocates of "constitution and reform."

Scenes at the Buenavista Station of the Mexican Railway reminded one of a thousand moving days combined. Train after train drew out in the direction of Vera Cruz loaded down with every conceivable sort of plunder—motors, furniture, horses, pianos, paintings, safes. It was a sight to make professional burglars and second-story men weep with envy. Nothing like it was ever seen on this continent. Huerta and his mob were amateurs compared with the Carranzistas. The Huerta crowd seldom stooped to petty larceny. If a town or government was ever subjected to the vacuum-cleaner method of pillage, it was the capital of Mexico at the hands of the Carranzistas.

Every man jack of the outfit knew, too, when he turned his back upon Mexico City that the Carranza cause was hopelessly lost. Most of those who elected to unite with Carranza in his defiance of the convention did so for one of two reasons, occasionally for both. Either they knew that Villa would have none of them or else they accounted it more profitable personally to stand by and find foot room in the trough with the other Carranzistas, where they were reasonably certain of getting part of the swag, trusting to luck to make their peace with Villa later. It was not Carranza they were following; it was the gold. They got that, and now they are following the ridiculous Carranza no longer.

Mr. LODGE. Mr. President, the Constitution places in the hands of the President power to conduct all negotiations with foreign powers. I think that power is wisely placed, and I do not think that the Senate, although it has the unquestioned right to ask for information and to have it furnished if the President deems it compatible with the public interest, should take any steps at any time which would tend to interfere with or damage negotiations being carried on upon any subject. In this instance, however, we are dealing with accomplished facts, and we are asked now to take a share in the action of the administration.

The President has recognized somebody in Mexico. We know that, because he has sent in the name of an ambassador to Mexico. We are informed by the newspapers that the person so recognized is Carranza. We learn from the action of other Governments that he is recognized as "first chief of the de facto government of Mexico."

The right of the President of the United States to recognize a government in another country is, to my mind, undoubted. I think it is complete. I once had occasion some years ago to discuss that question when distinguished Senators on the other side took the view that the President by recognition of a certain government was engaging in a usurpation. I think the President then had the right to recognize, and I think he has it now. I think the President has the entire right to recognize some one in Mexico. He has done so, and has sent us the name of an ambassador—a most excellent choice, so far as I am aware. I have, moreover, no question that it is extremely desirable that we should have a representative in Mexico to take care, so far as he can, of such Americans as may remain there who have not been either murdered or driven out and of such fragments of property as may still exist. I think it is very desirable that we should have an ambassador there; but as we are asked now to take part in the recognition by confirming the ambassador, it

does not seem to me that it is unreasonable to make the inquiry embodied in the resolution of the Senator from New Mexico.

The Senate of the United States, which is asked to confirm an ambassador, has no official knowledge of what has been recognized in Mexico. We learn through the newspapers—an excellent but unofficial source, not recognized in the Constitution—that the Government has recognized Carranza. I think we might have that information officially. I think we might also be allowed to know to whom our minister is accredited. I do not think it is a diseased curiosity on our part to wish to know where our ambassador is going. One of the well-recognized evidences of the fitness of a Government for recognition is the possession of the capital, of the normal seat of government in the country. Is our ambassador to go to the City of Mexico, into which Gen. Carranza has not gone—governed, we are informed, in his abstention, by a judicious regard for his personal safety? Or is our ambassador to follow Carranza's fitting and fleeting camp, wherever it may happen to be, from Vera Cruz to San Luis Potosi, or to Torreon, or somewhere else? Where is our ambassador going?

I say, Mr. President, it does not seem to me that it shows an unreasonable curiosity to ask for this information. These are all accomplished acts in which we are asked to share. The time of negotiation and dealing has passed. I think, also, we may fairly ask what has been learned by the agents who have been sent down there—for we have been passing lately from the ordinary régime of duly confirmed and appointed diplomatic officers to transacting business with foreign nations, not only in Mexico but elsewhere, through furtive agents of a personal character. We ought to know, I think, what the information is that has led the President to take this important step.

I repeat that I think the selection of Mr. Fletcher is a most excellent one. I have not the least objection to having him sent as an ambassador; but I should like to know to whom he is accredited, where he is going, and what were the grounds for the recognition of the "first chief" of the de facto government.

This has been done by Presidents time out of mind, either in annual or in special messages. They have not thought it improper to tell the Senate upon what convincing considerations they have decided to recognize a government. We were informed through the newspapers that this country had received guaranties, assurances for religious toleration, and security of life and property in Mexico. I think we might fairly have those assurances laid before us and be told how far they have been carried out. I think we might fairly know what arrangement, if any, has been made for the payment of claims with the government thus recognized. There are very large claims of American citizens pending against the government of Mexico whenever that government shall be duly established; and, what is far worse, in my opinion, by our course there we have placed ourselves in a position where we may very well be held responsible for enormous claims by the citizens of other countries, because we have intervened to such an extent as to overthrow a recognized government, a government recognized by other countries. When we took that serious step we opened the door to the possibility of huge claims against us on account of Mexico, claims beyond the reach of any practical estimate.

Now, we have recognized another government. I know little or nothing of its character. On this point, too, I should like to be informed. In common with everybody else, such information as I get I secure through newspapers or through correspondence in one way and another.

I received the other day a circular of one of the Carranza military governors. The State of Yucatan was a perfectly peaceful State. It had not been involved in revolution. It had not resisted Carranza. It had kept clear. But Carranza, as "first chief" of the de facto government, sent down there, wiped out the legislature, wiped out the civil governor, wiped out the courts, and established a military governor, who is now in absolute and despotic control. Whether he is doing what Pablo Gonzales and Zapata are said to be doing in the City of Mexico I do not know; but I read this translation of a portion of a circular sent out by Gen. Alvarado, Carranzista governor of Yucatan, to his assistants on October 27, 1915. I read it because religious toleration was one of the subjects on which we were said to have received assurances. The circular says:

And, in a word, it is necessary to remove all fanaticism from the State. The powerful effort made by the false apostles of religion, who are eager and insatiable for blood, money, and power, since the Spanish conquest have been forming links in our land of a chain of the most shocking crimes, misfortunes, and treasons—with their net infested with untruths have brutalized our country and disintegrated it. Their end is near. They fly, frightened and ashamed, to bury themselves in oblivion, accompanied by the opposition and by ignorance, the

constitutional revolution remaining as symbolizing the beneficent light of science.

Now—

We should always remember that religion is ignorance and that God wanes whilst the revolution advances.

I do not know whether that statement, that "God wanes whilst the revolution advances," represents the ideas of religious toleration of the Carranza government or not; but it certainly is an indication of the character of his military governors. As we have recognized Carranza, as we are asked to confirm an ambassador accredited, I suppose, to him—I can only make the assumption—I think it would be not unreasonable that we should know something about it.

I have no question that the President had good reasons and sufficient information for recognizing Carranza. I can not imagine that he would have done it without good reason; and I do not think it is improper or unfair for us, now that we are asked to confirm an ambassador, to be permitted to share those reasons. I hope the resolution will be adopted.

I ask permission to print with my remarks a description of Mexico at the present time which appeared in the New York Sun, which is written with great sobriety and thoroughness, and which I think is very valuable as a source of information as to present conditions in Mexico.

THE PRESIDING OFFICER. Without objection, it will be so ordered.

The matter referred to is as follows:

[From the New York Sun of Sunday, Dec. 26, 1915.]

MEXICO, LOOTED AND BESET WITH BANDITRY, STAGGERS TO ITS RECONSTRUCTION—A NEW YORK OBSERVER, IN REVIEWING THE CONDITIONS AFTER FIVE YEARS OF REVOLUTION, FINDS THE SITUATION CALLS FOR THE HIGHEST STATESMANSHIP—FINANCES AND RAILROADS A BIG PROBLEM.

Conditions in Mexico City, after five years of revolution, confusion, and looting, are graphically described by a New Yorker just back from the capital after many years of residence there.

Sixteen radical changes in government were seen in the city in the five years, each one as bad as the other. Wholesale liberation of prisoners went with each one, and each faction went away leaving behind a trail of bad money.

Prices have risen and risen until now they can not go any higher, and the Carranza government is trying to force them down.

Stocks have been running low. Idleness, strikes, disease, and lack of medicines have nearly put the finishing touches on the desolation of the city.

The constitutional officers, or most of them, in control of Mexico at the present time are a carousing, venturesome, fighting crowd, who know no peaceful pursuit. Most of them have no education.

Textile factories, one of Mexico's richest industries, have been destroyed or shut down for a long period. Sugar and mine properties are not being worked in full. Crops have been confiscated and little planting has been done.

The Carranza authorities have been active in forcing the banks to guarantee their notes with currency. Foreign capital is no friend of Carranza because of his many decrees.

Many new kinds of taxes have been clapped on or are planned, as Carranza is desperately in need of funds.

The saloons have not obeyed the decree to move, paying heavy tribute to stay where they are.

The writer's version of conditions follows:

REVOLT FIVE YEARS OLD IN NOVEMBER.

The Mexican revolution was 5 years old on November 20, 1915. The period since Francisco I. Madero issued the plan of San Luis Potosí and raised the banner of revolt against the aged Díaz has witnessed many startling changes in the Republic just south of the Rio Grande.

These five years just closed have been punctuated by the resignation and death in exile of the octogenarian dictator, Gen. Porfirio Díaz; Madero's rise to power; Pascual Orozco's revolt, subsequent exile, and recent violent death in Texas as an obscure filibuster; the citadel uprising in Mexico City and the assassination of President Madero and Vice President Pino Suárez; Huerta's short and bloody dictatorship; Villa's meteoric career of wholesale banditry; and, finally, the quarrel of the revolutionary factional leaders and the military predominance of Gen. Venustiano Carranza.

To-day the Carranza movement is at its zenith and the first chief, depository of the executive power, finds himself with the military part of his task virtually completed and facing the problems of reconstruction, with material, political, and social tangles to unravel which would test the financial ability of a Morgan, the diplomacy of a Talleyrand, and the iron will of a Cromwell.

November 20 was an official holiday throughout all the territory of Mexico controlled by the forces of Gen. Carranza. As sworn enemies of everything connected with the two Díazs, the aristocracy and the church, who had always held together, and as upholders of the innovations promised by President Madero as well as others of their own proposing, the followers of Gen. Carranza celebrated the day with rejoicing. The public offices were closed and there were street parades of soldiers headed by bands playing the national anthem.

NOT GREATLY ENTHUSED.

The noncombatants and nonofficial element of the City of Mexico, about five hundred times as numerous as the military men and Government employees who were celebrating, looked on at the demonstration without great enthusiasm. During the five years whose lapse was being proclaimed they had 16 radical changes of rule in the capital, all of which were heralded with bombastic manifestos and triumphal parades on the part of the new authorities and their armed followers, promises of reform and persecution of political opponents ("traitors"), and most of which ended with cannonading and death in the streets, precipitate midnight flights of the authorities before the advancing hosts of the hostile faction, terror and looting between dark and daylight, wholesale liberation of prisoners from the jails and penitentiaries, and, during the past year or so, the overnight declaration of the worthlessness of such money of the fleeing faction as was left in the hands

of a hungry public and the establishment of the paper of the new arrivals as legal tender; all this attended with progressive poverty, ruin, and demoralization.

While these changes were taking place prices were climbing, stocks of food, clothing, and medicines running low, the paper money of all the factions approaching a shimplaster status, business enterprises failing and closing their doors, idleness, strikes, sickness, and misery becoming general, and the struggle for existence growing into a bitter, desperate, and almost hopeless task.

The fifth anniversary of political and economic insecurity had just been preceded by recognition of the de facto government of Gen. Carranza on the part of the United States and other countries, and there had been some talk of general pacification and reconstruction, but there was nothing new in such announcements by the authorities. The fulsome official press of the different factions always had made this subject its principal theme, and the Mexican public awaited deeds rather than words.

NOT HOPEFUL OF PEACE.

A condition of gloomy skepticism still prevails among the thinking classes as to the return of peace and security, despite the unquestioned military predominance of the Carranza followers, or constitutionalists, as they style themselves, who now control the greater part of the territory of the Republic and whose ultimate triumph over the Villa and Zapata factions is looked upon as a foregone conclusion.

The residents of Mexico, foreign and native, consider the constitutionalist officials and military men as their own worst enemies at the present time. They have by far the greater part of the guns and ammunition existing in the country; they are at the zenith of their military prestige, and none thinks of joining the Villistas or Zapatistas in their losing fight against the triumphant party as it stands to-day.

On the contrary, considerable numbers of the losing factions' fighting men are surrendering and joining the ranks of Gen. Carranza's followers, who now comprise former officers and men of the old Federal army who fought under Porfirio Díaz and Huerta, old revolutionaries of Madero's time, men of Pascual Orozco's revolt in the north against Madero, turbulent Yaquis from Sonora "serranos" from the mountains of Puebla and Oaxaca—in a word, men who all their lives have been trained to look upon fighting as a profession, or professional revolutionists who during the past five years have learned to scorn the peaceful pursuits they followed before Madero's time, and prefer a life of carousing, adventure, graft, and pillage.

The general doubt as to the prospects for establishing peace throughout the Republic rests upon the well-known character of these men, who are going to be pretty hard to satisfy with anything out of the line of the license which they have been enjoying and the ambition, jealousy, and greed of their chiefs, who will be difficult to make content with such political rewards as may be assigned them.

All of the revolutionary leaders have excellent opinions of themselves. Their standard of education is not high. Not one officer or general in several hundred has the equivalent of an American high-school education. Many can scarcely read and write. So far as civic education goes events have proved that they are mere children.

Their idea is to secure commissions or appointments by force, threats, or favoritism of their superiors, and if disappointed their first thought is revenge by joining the armed enemies of those who should have helped them, overthrowing or exterminating the latter and securing what they wanted by this means.

FEAR CARRANZISTAS WILL FACE REVOLT—NONCOMBATANTS EXPECT PARTY WILL AGAIN SPLIT INTO FACTIONS.

Mexican history shows very few examples of defeated candidates accepting their fate with resignation except during the 30 years' reign of Gen. Porfirio Díaz, who saw to it that they did. The times of President Díaz are gone forever, and thoughtful Mexicans and foreigners are wondering which of the revolutionary leaders—if peace is to come—will be willing to sacrifice themselves and to retire to private life or accept humble positions without a murmur, while their rivals receive glittering and productive honors.

If a miracle does not happen and the majority do not do this, the followers of Carranza will be torn by dissensions and the "revolution" will continue.

The number of generals, colonels, and lieutenant colonels now becoming rich through the perquisites of the revolution who five years ago were simple storekeepers, ranchers, and artisans is legion.

The problem of contenting them will be harder for Gen. Carranza or whoever succeeds him at the head of affairs than any of his predecessors as chiefs of revolutionary movements.

Banditry was ubiquitous when Gen. Porfirio Díaz took hold of the affairs of the nation, but the people had not "awakened" at that time and his remarkable personality was able to cow them into submission and order. Since Madero called upon them to "awaken" they have grown more and more to scorn the principles of government, and resort to their own brute force for the settlement of every question, petty or great, as it suits their personal advantage. The tendency of the Mexican middle and lower classes is not toward socialism but anarchy. Aristocracy and wealth are becoming crimes against which the most criminal behavior is pardoned.

Both Mexican and foreign anarchists are numbered among the personages of the warring factions of the Republic and some of them have been given posts of considerable authority. They have incited laborers everywhere to strike for higher wages, shorter hours, and special privileges.

Higher wages, it is generally conceded, are but a matter of justice at the present time, when the struggle for existence is bitter in Mexico, but the labor unions organized into a general federation known as the "Casa del Obrero Mundial" for the purpose of bringing on sympathetic strikes and exerting greater pressure upon employers and the public generally have listened spellbound to avowed "red" anarchists and have made their demands so exorbitant that in many cases employers, likewise losing money from the hard times, have been forced out of business temporarily or permanently.

The different revolutionary régimes have complicated this matter by taking over or confiscating for their own operations the concerns which are closed through strikes, which the revolutionaries themselves openly and officially encouraged. As they have allowed the properties of those concerns, mostly foreign, to go to ruin and have paid no dividends and bought no new material worthy of mention to replace what was worn out or destroyed, they have been able to operate and pay higher wages than the original management.

GOVERNMENT HAS BIG CLAIMS TO SETTLE—BUSINESS ENTERPRISES AND RAILROADS SEEK INDemnITY.

A large per cent of the revolutionary claims to be made against the next constituted government of Mexico will be based upon the losses

suffered by different business enterprises on this score. Another and even greater percentage of the claims for indemnity will be made by the railway companies, the express companies, and others which have been taken over by the revolutionary administrations on the score of military necessities or for other purposes not clearly defined by the authorities.

The different railway companies whose properties have been taken over and operated by the revolutionary authorities will base their claims against the recognized government upon the railway laws of Mexico. These specify that in cases of domestic or foreign war the properties of the railways may be taken over by the authorities and that, if no other basis of settlement satisfactory to all parties is reached, the companies are to receive an indemnization for the use of their properties based upon the average earnings for the five years prior to their being taken over, plus 10 per cent of those same earnings.

This indemnization is merely for the use of the railway properties and does not include claims made by the companies for damage or destruction of their lines or rolling stock or for running of military trains prior to the taking over of the property, these constituting separate causes for indemnity. The Mexican law does not make it quite clear whether the earnings specified in calculating the amount of indemnity are to be net or gross earnings, but assuming that net earnings are meant, which is the most optimistic construction for the Mexican Government, the amount of damages to be paid will be enormous.

NATIONAL'S BILL BIGGEST.

Of all these railway claims which will be made, the most important is that of the National Railways of Mexico, the majority of whose bonds are held in Europe and the United States. The properties of this company were taken over for operation by the constitutionalists on August 13, 1914, thus making it something less than a year and a half that the revolutionary forces have had these properties in their possession. The net earnings of the National Railways for the years preceding their taking over were approximately as follows: 1908-9, 2,600,000 pesos; 1909-10, 4,500,000; 1910-11, 2,550,000; 1911-12, 2,480,000; 1912-13, 725,000; 1913-14, loss.

The settlement of the claims of the National Railways of Mexico will present various complications owing to special circumstances entering into the case. One of these is that the years immediately preceding the taking over of the properties by the constitutionalists were not normal years, the earnings being diminished notably toward their close and serving as a barometer of the spread of disorder throughout the country.

Another complicating feature is the rate of exchange. The figures given as earnings represent pesos with the rate of exchange for the American dollar at two for one. During the fiscal year of 1913-14, when a loss was registered, the value of the peso diminished to three to one. Should the government propose to settle claims on this basis in the present Mexican money, which is worth about 15 to 1 as measured by the dollar, foreign stock and bondholders hardly could be made to see the equity of the arrangement.

Still another feature is that after the break between Villa and Carranza the former kept and still controls a portion of the lines of the National Railways in the north of the Republic. As the Mexican law relating to indemnities to be paid to the railway companies relates only to the taking over of their lines by the government, liability for Villa's taking over a portion of them, he being declared an outlaw, probably will serve as another ground for contention.

INABILITY TO PAY BONDS.

Other matters which will enter into consideration are the Mexican government's ownership of a slight controlling interest in the shares of the National Railways and its ability or inability to satisfy the bondholders as to the payment of their interests, they being the real owners of the railways with power to foreclose on the stockholders if unsatisfied in this regard.

In any event, the claims arising from the government's use of the lines of the National Railways will be small in comparison with the material losses which the railway company has suffered through the blowing up and destruction of its trains and bridges, tearing up of its lines, wear and tear of rolling stock, damage to stations, shops and the like.

The following figures were given out officially by the constitutionalists recently and serve to throw some light upon the condition of the rolling stock of the National Railways at the close of June, 1914, and at the present time:

On June 30, 1914, the company had 15,700 broad-gauge cars, 3,267 narrow-gauge cars, and 762 locomotives. A short time ago the number of broad-gauge cars in the possession of the authorities holding the properties was 3,775, of which 150 were in the repair shops. This represents a shrinkage of 11,925 broad-gauge cars, apart from the damages to the 150 mentioned.

The number of narrow-gauge cars recently stated to be in the possession of the authorities was 1,925, of which 125 were in the shops for repairs. The loss of narrow-gauge cars, therefore, according to these figures is 1,842, apart from those damaged. The recent figures show that the authorities hold 490 locomotives in serviceable condition and have 160 in the repair shops. This shows a loss of 272 locomotives, apart from those damaged.

Such rolling material as is in the hands of Villa in the north at the present time must be discounted from the figures given showing losses, but the constitutionalist authorities say that he has very few cars and engines now in his possession.

VILLA'S HOLDINGS SMALL.

The fact is the constitutionalist forces are universally reported to be well within the State of Chihuahua in their northern advance against Villa, and he only controls a small portion of the Central Railway (belonging to the National Railways) from Ciudad Juarez to a short distance south of the city of Chihuahua. The amount of rolling stock Villa has on that section of line is believed to be relatively insignificant, so that the figures given to show losses do not overstate the case very much.

No figures are obtainable to show the damage suffered by the National Railways' great repair shops throughout the country at the hands of the revolutionaries, but it is believed that they will mount well up into the millions. The running of military trains by the Federal and different revolutionary authorities, which have not been paid for, also will represent a considerable figure which hardly will be agreed upon except after much wrangling and litigation, and one of the greatest liabilities of all is the interest due to the bondholders of the company, which must be guaranteed by the Mexican government, according to contracts drawn up in normal times between the company and the Federal administration.

The amount of this interest had reached several million dollars American currency during the time of Gen. Huerta's presidency. It has been

piling up ever since and no payment has been made upon it, although several tentative arrangements have been entered into and discarded. The Mexican administrations have always considered the payment of the bondholders of the National Railways as a sacred obligation, as, should the latter foreclose through nonpayment of their interest, the government of Mexico would lose its controlling interest of fifty-odd per cent of the shares of the company and foreigners would be in absolute control of the greatest enterprise of the country in economic as well as political and military importance.

The liability of the Mexican government through the constitutionalists' use of the Tehuantepec National Railway, a British concern, whose line crosses the Isthmus of Tehuantepec, uniting the Atlantic and Pacific Oceans and doing a freight business which competes with the Panama Canal, likewise will be enormous.

Carranza has had this line in his possession about a year. Recently when the last great landslide obstructed the Panama Canal the Hawaiian-American and other important steamship companies doing business between the Atlantic and Pacific ports of the United States tried to make a contract with Carranza to take their freight across the Isthmus of Tehuantepec over the line of the Tehuantepec National.

DEMANDS OF CARRANZA.

It was expected that the obstruction to the Panama Canal would be cleared within two months, but Carranza refused to deal with the steamship companies unless they would sign a contract and oblige themselves to pay him for handling all their freight across the isthmus for the space of two years, making it appear that he intended to hold the line of the British company that long, or would fail to comply with the contract with the steamer people if the line should be delivered to the owners before the two years expired. The steamship companies did not accept the imposition of a two-year contract under these conditions.

The Mexican Railway, another British concern, whose line does by far the greatest passenger and freight business between the City of Mexico, Vera Cruz, and Puebla, has been a heavy sufferer through the revolution. The properties of this company were taken over by Carranza on December 1, 1914, and have been run uninterruptedly by the constitutionalists since that date.

The company has an account against the Mexican Government for \$87,500 American currency for the running of military trains prior to the taking over of the road. The earnings of the Mexican Railway for the last normal year (1912) prior to its taking over by Carranza, which, according to the Mexican law quoted, will be used, together with four other years' earnings, for striking an average and thus computing a basis for the indemnity claim, were \$4,357,509 American currency for gross earnings and \$2,346,802 American currency for net earnings. The company has no figures as to the destruction of its properties, wear and tear, and the like, and these are unobtainable at the present time.

It is known that the claim to be presented on this account will be enormous. A great part of the machinery and other material of the Mexican Railways' shops at Apizaco and other points along the line between Mexico and Vera Cruz has been removed from there and transferred to the shops of the Vera Cruz al Istmo Railway (belonging to the National Railways) or to the Pan American Railway, likewise belonging to the National Railways. The shop material of these different lines has been so mixed up by the constitutionalist authorities that it will be a very difficult matter to get it straightened out, identified, and returned where it belongs. Much of it has been destroyed or used for other than railway purposes.

TRAVEL A HARDSHIP ON MEXICAN LINES—STOCK IN STATE OF WRECK AND TRAINS OVERCROWDED.

Railway men of long experience who have traveled between Puebla, Mexico, and Vera Cruz along the lines of the Mexican Railway say that rolling material of the company is in a deplorable state of damage and neglect, principally because of lack of shop facilities. A daily passenger service no longer is kept up over those lines for lack of serviceable rolling material.

Such trains as run for passengers are without sleeping-car facilities. The cars are battered, dirty, and without cushions, and owing to their running only once in a while they are so crowded with every description of humanity that standing room for the long journey between Mexico and the coast is at a premium.

Passengers from Vera Cruz tell of seeing the trains for Mexico crowded with people the night before the journey is commenced, people getting aboard many hours beforehand so as to be sure of some place to sit down during the journey. The travelers say they have had to pay varying sums of money to the railway employees for the privilege of going aboard the trains ahead of time. Conditions of travel are primitive and they have to suffer many discomforts during the trip because of the crowd and difficulty of holding on to their seats.

Travel between Mexico, Puebla, and Vera Cruz now is carried on exclusively by day as a precaution against the roving bands of bandits calling themselves Zapatistas, who assault and blow up the trains and kill and rob travelers. Some months ago it was a dangerous venture to make the trip aboard a passenger train between the City of Mexico and Vera Cruz, and many persons lost their lives in the journey. The constitutionalists have been clearing the region traversed by the railway line during the past few weeks and there have been no more attacks on trains, but the discomfort incident to the lack of cars and the gradual ruin of all the railway facilities is increasing from day to day and the regularity of the service is diminishing.

SERVICE IS IRREGULAR.

Traffic between the City of Mexico and the northern frontier by way of Laredo is very irregular, and intervals of many days pass without a train's making the trip. As on the lines of the Mexican Railway, travel is carried on exclusively by day as a precaution against assaults and holdups.

Travelers are likely to have to stop over at any wayside point a number of days on account of interruptions from various causes while they are making the journey, and generally go provided with blankets and provisions to sustain them on the way. There is little available rolling stock for passenger purposes, and travelers usually have to sit several in a seat made for two or stand up throughout the trip.

Persons in the employ of the railway service say that there is at present only one Pullman car in the Republic of Mexico, and that is being used as a private touring car by some Villista general in the north. The Mexican Railway had its own service of sleepers, not Pullmans, and these, which are not numerous, are being used by the constitutionalists all over the Republic, most being used by generals and other military leaders in the field.

So many cars are being used for freight transportation and military purposes that freight service is reduced to a minimum, and all the large

towns are suffering for lack of the trains of provisions that came in daily from all parts of the country in normal times. When as many as 15 carloads of provisions come into the City of Mexico in a single day the fact is heralded officially as a sign of returning prosperity. The authorities usually give as their reason for the interruption of traffic the "jam of loaded freight cars along the line, which must be cleared up so that passenger and other trains can be moved." Any other reason for the interruption would sound more plausible to the public.

Engineer Alberto J. Pani, chief of the constitutionalist railway administration, which includes the National Railways, the Mexican Railway, and other properties which have been taken over, recently gave out to the press a report regarding conditions as to the lines under his charge which was couched in very frank terms for a statement from a high revolutionary official.

ADMITS HIS DIFFICULTIES.

He admitted the difficulties he was under in putting passenger and freight traffic on anything like a practical basis, and attributed these principally to lack of rolling stock through damage and destruction, and the control of so many cars and locomotives by military leaders, who were using them not only for troop transportation but for their own individual purposes, carrying on their own freight and express business and the like, and accumulating fortunes without answering to the railway administration for anything.

This appropriation of cars and locomotives is not peculiar to the constitutionalists, but has been one of the characteristic means of graft of the Villista, Zapatista, and all other military leaders, some of whom, while not actually controlling cars and engines, charge tribute for the transportation of merchandise through the territory they control.

It is nearly always necessary to pay considerable sums to military leaders in order to get freight up to the City of Mexico from Vera Cruz and from the north, apart from the freight charges of the railway administration, which have been doubled recently. Six or eight thousand pesos of tribute money to the military officials for the moving of a single car to Mexico from the coast is considered part of the game by merchants of the capital, who compensate their difficulties and expenditures and the depreciation of the paper money by raising their prices to the public.

Engineer Pani has made sincere efforts to stop the abuses of the military leaders in connection with the railways, cut down the number of cars and engines in the hands of the leaders in the field, and increase the number in use for the service of the public and the profit of the administration under his charge, but he has before him a task which is almost hopeless, and he has obtained no result as yet worth mentioning.

GENERAL STRIKE ON NATIONAL LINES NEAR—TRAMWAY COMPANY, TOO, HAVING ITS TROUBLES.

It is predicted that as soon as the properties of the National Railways are returned to the company the latter will have on its hands a general strike of all its employees for higher wages, shorter hours, recognition of the union, and special privileges which will contribute still more to cripple it in the face of its other difficulties. The employees of the constitutionalist administration of the National Railways, who are the same men employed by the company in normal times, declared themselves on a strike the other day, and on that account the service of the trains between Mexico and the northern frontier suffered still another cause for interruption. The authorities, who openly aid and encourage strikes against private concerns, soon put a stop to this one against themselves.

A decree was published in the official press stating that as the railways had been taken over for military purposes, all their employees were considered as subject to military rule and would be punished as mutinied soldiers and military officers if they refused to work and carry out their duty; that any hindrance to the movement of trains and the free working of the railways would be considered as sedition; and that the administration would under no circumstances tolerate any obstruction on the part of the labor unions or recognize the rights of the latter to foment strikes against it through the employees of companies whose properties it had taken over for operation.

The Mexico Light & Power Co. and the Mexico Tramway Co., allied British concerns, which from the standpoint of capitalization are among the most important in the Republic and employ many thousands of workmen, have been heavy sufferers through destruction, ruin, and taking over of their properties by the revolutionary administrations and strikes on the part of their employees fomented by the latter, principally the constitutionalists. An idea of the attitude of the revolutionaries toward foreign capital in general may be obtained by a glance at the misfortunes of this great combined enterprise since the trouble reached southern Mexico.

PROPERTIES TAKEN OVER.

The properties of the Mexico Tramway Co. were taken over by the constitutionalists on October 15, 1914, following a general strike of all its employees for higher wages, shorter hours, privileges, and recognition of their union as empowered to dictate whether the company has the right to discharge employees, fill vacancies, and the like. As the company had already been losing money, fares for points within the city limits of Mexico being 6 centavos, or less than 1 cent American money, the company refused to accede to the demands of the strikers, who were encouraged by Gen. Heriberto Jara, constitutionalist governor of the federal district, and the properties were taken over for operation by the authorities, who promised the employees to satisfy their demands.

Under the constitutionalist administration the employees of the tramway company of Mexico have received two raises in pay. The first, which was granted them in January last, was for 50 per cent on all wages of 3 pesos and less a day, 40 per cent on wages of from 3 to 6 pesos, 35 per cent on wages of from 6 to 7 pesos, and 25 per cent on wages of from 7 to 9 pesos.

Wages were raised again the same proportion last August. The tramway employees recently threatened to go on another strike for higher wages, but their committee sent to treat with the authorities about the matter was jailed and they were made to understand that their conduct was unpatriotic in hampering the administration at the present time with their demands.

Tramway company officials are expecting that this third strike will be declared by their employees as soon as the administration returns them their properties, as there then will be no patriotic considerations to curb the attitude of the men. The tramway management is expecting to have a hard time dealing with the labor problem as presented by its many hundreds of employees.

When Gen. Alvaro Obregon abandoned the City of Mexico to the Conventionists on November 23 a year ago he took with him a large part

of the controllers of the tramcars as well as other apparatus which would hinder the running of the cars by the Conventionists and left the latter very short of material as well as the company short of property.

ROLLING STOCK STOLEN.

When the conventionists evacuated the capital last January 27 they in their turn took away with them much rolling stock of the tramway company as well as other material in order to hamper the Constitutionalists, who were returning, and this proceeding has been repeated several times, but never on so large a scale as when Obregon first took away the controllers. The controllers were brought back by the Constitutionalists from Vera Cruz in response to American representations, but many were lost or destroyed, and the rolling material of the tramways has been dwindling steadily ever since through wear, destruction, and neglect.

At present the number of cars in use throughout the Federal District is so insufficient that they are nearly always crowded to the guards, and accidents are frequent from men and boys being brushed off as they cling to the steps and projections on the outside of the cars. Recently, in order to compensate somewhat for this deficiency in the number of tramcars, the constitutionalist management put into use the funeral or hearse cars, with all their gawdy black and white paint and paraphernalia, for passenger purposes, and on some of the lines it is a not uncommon sight to see box cars or platform cars being used for passengers. The crowding of the street cars has been a very potent cause in the spread of the epidemic of typhus fever which rages in Mexico at the present time.

In addition to strikes and salary raises to its employees the Mexico Light & Power Co., which has not been taken over by the revolutionary authorities, has suffered in other ways at the hands of the latter. The municipal lighting for Mexico City and the outlying towns of the Federal district has been unpaid for since July, 1913, when Huerta was in power, except for 200,000 pesos, which the Light & Power Co. received from the City Council of Mexico three days before the Zapatistas left the capital the last time, the payment being made in conventionist notes, which afterwards were confiscated by the constitutionalists and supposedly destroyed by them as counterfeits.

POWER BILLS UNPAID.

The power used for the municipal water pumps of Mexico likewise has been unpaid for since 1913. The light and power officials say that they could stop furnishing power to the city on the ground of lack of fulfillment of the city's part of its contract, but they have not thought of doing so. If this were done the Light & Power Co.'s properties probably would be taken over by the revolutionaries and run by themselves with still greater destruction and loss to the company. The revolutionaries in Mexico are in the habit of lighting up such houses and buildings as they choose with current of the Light & Power Co., fixing their own connections to the street wires and not advising the company, whose transformers are burned out all over the town as a result.

On Saturday, November 20, the anniversary of the five years of revolution in the country, the police officials of the constitutionalists, searched the offices of the Mexico Light & Power Co. presumably for arms and ammunition, which they said were concealed there. None was found, but the officials took from the safe of the company the sum of 530,000 pesos, most of which was in conventionist notes, but part of which was in notes acknowledged to be legal tender by the constitutionalists, who issued them.

Officials of the company were able to explain the taking of the conventionist notes, as many commercial houses of Mexico City had just been searched by the authorities and those notes confiscated as counterfeits. They were not able to explain the taking away of the constitutionalist notes also.

The gigantic hydraulic power plant of the light and power company in Nexaca, State of Puebla, as well as its great power cables which furnish electricity to the Federal district as well as to the mines of the Pachuca and El Oro mining districts, also have suffered material damage at the hands of the different revolutionaries. The cables have been cut and their sustaining towers blown up at different points, and on last September 30 the constitutionalists, under Gen. Alejo Gonzalez, sacked the company's offices, buildings, and stables at Nexaca, taking away everything portable that was of value.

WORKERS WITHOUT FOOD.

The company's employees were left so without food that they were living on the charity of the constitutionalist soldiers for several days. At the end of that time the constitutionalists auctioned off in the near-by town of Huachuco a great part of the property they had taken away and its owners were able to buy it back with money they had received from the company in the meantime.

Horses of the company taken from Nexaca have not been returned, and when last heard from were being used by the constitutionalists in the military operations around Toluca.

The number of other railway and industrial enterprises which have been taken over by the different revolutionary factions is great and almost all without exception have had their operations temporarily or permanently suspended or been levied upon heavily by the different factions.

Among the lesser railways there may be mentioned the San Rafael & Atlixco Railway, south of Mexico City, a French property which has been in the hands of the Zapatistas for many months, and the railway from Pachuca to Zimapan, State of Hidalgo, a British property.

This latter was taken over by the constitutionalists, and its lines and rolling stock suffered damage to the amount of \$250,000, as estimated by its owners. Carranza offered to return them the line and what was left of the rolling stock not long ago, but they refused to accept them without the payment of indemnity for their losses.

Carranza's reply was to threaten definite confiscation of the properties, and the owners told him to confiscate, then, in which case they would take up the case diplomatically. The constitutionalists are still operating the road.

TEXTILE FACTORIES COMPELLED TO CLOSE—CROPS AND STORES OF GRAIN SEIZED BY FACTIONS.

Many textile factories, which constitute one of the richest industries of southern Mexico, are in the hands of various revolutionary factions or are shut down for lack of raw material, strikes, or damages. The great sugar properties are occupied by the Zapatistas, in whose zone they lie, and a part of the mines of the States of Guerrero and Mexico still are being worked by revolutionaries, although the important foreign properties of El Oro, in the latter State, recently have been recovered by the constitutionalists from the Zapatistas and returned to their owners, who are working them at present.

Crops and stores of grain and provisions in general have been confiscated all over southern Mexico by the revolutionaries of all factions or bought by them from their owners at rates fixed by themselves and taken to the large towns for sale at great profits. In the few cases where the owners of stores of provisions have been able to market their own products they generally have had to pay high tributes to the revolutionaries for the privilege of so doing.

The general excuse of the latter for their confiscations and forced sales at their own prices has been that the owners of the provision stores were speculators waiting for a raise in price and trafficking with the hunger of the people.

GOVERNMENT ACTIVE AGAINST STATE BANKS—FORCES THEM TO INCREASE THEIR METALLIC RESOURCES.

Recently the Constitutionalists have been very active in their campaign against the State banks of issue all over the Republic. According to the original concessions of these banks they were empowered to issue notes for the amount of twice their special deposits in coin and bars of precious metal to guarantee their bills, these special metallic guarantees being kept intact and apart from the other funds of the banks.

Not long ago Gen. Carranza issued a decree declaring that a special privilege conceded by Huerta while in power to all the State banks to increase their issue of notes to three times the amount of their metallic deposits guaranteeing same was illegal and that the banks must within a very short period assigned them for the purpose increase their guaranties in precious metal to half the amount of their outstanding notes or reduce the latter to twice the amount of the guaranty deposit on hand.

This was a hard blow to the banks of the different States, the majority of which are capitalized by foreigners and are considered as perfectly solvent institutions, but are in a difficult position to raise funds all at once, owing to the general poverty of the country and the sacrifices one must make to realize on what in normal times would be quick assets.

A commission, headed by the secretary of finance, was formed to investigate the condition of the State banks and declare their concessions forfeited if they did not fulfil the conditions of Gen. Carranza's decree within the term specified, which already has expired. The committee, which still is continuing its investigation, is taking into consideration other matters than the guaranty deposits for the outstanding bills, according to official statements.

ABLE TO PAY OBLIGATIONS.

The first bank whose concession was declared forfeited by the commission was the Banco Peninsular de Yucatan, of Merida, a French concern, which in general business circles is considered as in very good condition and perfectly able to fulfil all its obligations if given reasonable time.

This belief has been attested all along by the premium put upon the notes of the Merida bank, as well as those of the other State institutions, over those of the revolutionary factions, the notes of that bank not having depreciated in the quotations of the local market in spite of the declaration of the forfeiture of the concession. The French management of the Banco Peninsular, immediately upon its concession being declared forfeited, began energetic diplomatic negotiations, which had the effect of disconcerting the authorities considerably. However, they went on investigating the State banks and shortly afterwards declared forfeited the concessions of the banks of Guerrero, Hidalgo, and Queretaro.

The Banco Nacional de Mexico, which was investigated also, was declared to be in excellent condition in every way, with sufficient metallic guarantees on hand to issue legally another 32,000,000 pesos worth of notes, if it so wished.

The Banco de Londres y Mexico was advertised by the authorities as being in a fairly satisfactory way, and they themselves admitted that they meant to enter into a combination with those two institutions to get them to form with their French capital the nucleus of the new Federal bank of issue planned by Carranza to be the sole institution authorized to issue notes in the Republic, admitting at the same time that they meant to eliminate the State banks or have them also enter into the combination to form the Federal bank.

The general belief of business men in Mexico now is that the pressure brought to bear upon the State banks in regard to their note guaranties is but a means to force them to enter into the Federal-bank combination, the idea being for the administration to utilize their foreign capital to form the Federal bank and later supplant it, becoming the sole owner of the institution. Thus the unification of the paper money now in circulation could be secured, and the administration could reap considerable profits from being the sole issuer of notes in the Republic.

FOREIGN CAPITAL HOSTILE.

The attitude of the foreign capital invested in the State banks is openly hostile to the administration, however, on account of the coercive measures the latter has adopted to make them enter into its financial combination, and several of their principal capitalizers who have been interviewed in the City of Mexico say that they will fight out the matter through all diplomatic and legal channels before they will forego the rights conceded them by their concessions.

Owners of the Bank of Hidalgo, Britishers, it is understood, will lead the fight for the State banks, which are holding very well together. The Hidalgo Bank's notes are quoted on a par with those of the Banco Nacional at the present time, not having been affected by the declaration of forfeiture of its concession. That is to say, they are worth three to one, as compared with the circulating notes of the Constitutionalist administration.

The bank recently advertised to exchange Banco Nacional notes for its own notes on a par for anyone desiring to make such an exchange. It handles the rich British and American mining interests of the Pachuca region and is considered to be in excellent condition, in spite of the declaration of the authorities to the contrary.

The following is a list of the important State banks which are controlled by foreign capital and which are holding out against the efforts of the Constitutionalist authorities to make them enter into its combination, which they consider will be to sacrifice not only their amour propre but their financial interests as well:

Banco Peninsular de Yucatan (French), Banco de Hidalgo (British), Banco de Guanajuato (French), Banco de Queretaro (French), Banco de Guerrero (British), Banco de San Luis Potosi (British), Banco Oriental de Puebla (Spanish), Banco del Estado de Mexico, Banco de Tabasco, and Banco Mercantil de Vera Cruz (all three dependent upon the Banco Nacional and composed of about 87 per cent French capital).

The following State banks are not foreign controlled, but likewise are enlisted in the struggle for existence:

Banca de Jalisco (of which Germans are heavy shareholders), Banco de Sonora and Banco de Coahuila (of which two banks Americans are heavy shareholders), Banco Minero de Chihuahua (Creel and Terrazas interests), and Banco de Morelos, Banco de Tamaulipas, Banco de Durango, and Banco Mercantil de Monterey (these last named four being made up mostly of Mexican capital).

MARKET IS UPSET BY MANY DECREES—INSTABILITY OF CIRCULATING MEDIUM ADDS TO CHAOS.

The attitude of foreign and domestic capital generally is hostile to the constitutionalist administration, as it is toward the revolutionaries generally, because of their arbitrary acts, the tribute they exact at every turn, the chaos caused in the financial market by their sweeping decrees, which are amended and revoked overnight as it suits their convenience; the instability of the circulating medium caused by the refusal of each faction to recognize the tender of the rest and fluctuation in their own paper money by declaring a large part of it to be counterfeit every few days; the imposition of taxes and wholesale confiscations, of which foreigners as well as natives are the victims, and the fomenting of strikes. It is safe to say that there is not a foreign capitalist or property owner of any importance and very few Mexicans of financial weight who consider themselves safe under the constitutionalists or any other revolutionaries, or who have not already suffered considerably at their hands during the recent long years of disorder and anarchy.

The secretary of finance declared recently to the reporters of the Mexico City press that the administration was planning another increase in the export duty on precious metals and another great increase in the taxes on mining properties. He did not state the amount of the latter, but well-informed persons declare that the present mining taxes of the country are to be increased to thirty-seven times their present amount, which will make them practically prohibitive.

Gen. Carranza's recent decree ordering the acquirement by the administration of all the vast cotton crop of the Laguna region of Coahuila and Durango at cheap prices, "to be sold at cost to the manufacturers of the Republic," is looked upon in the City of Mexico with suspicion as another graft of the administration, and the export tax on hides, which consists of 5 centavos the kilo, is considered in a very unpopular light.

The order for the payment of customs taxes and certain other taxes in gold, which has been in force for a long time under Gen. Carranza, is considered as deterrent to business in these impoverished times.

All this is not to deny that even the enemies of Gen. Carranza acknowledge his necessity of funds if he is to establish peace throughout the country, and would like to see him succeed in this enterprise, but the general belief is that only a small part of the money exacted by the administration is invested for the public good; that grafting and corruption are universal among the revolutionaries; that the public returns are diverted to private channels everywhere; and that instead of the increase in tributes, confiscations, and taxation resulting in the establishment of peace, there will be divisions among the constitutionalists ultimately over the dividing of the spoils, and the warfare and suffering will continue.

BEST PEOPLE DODGE POLITICAL QUESTIONS—WANT PEACE AND PROTECTION FROM ONE PARTY OR ANOTHER.

The people of the City of Mexico and the better classes of the rest of the large towns of the south of the Republic, where the bulk of the population resides and where the education and wealth of the country are most represented, are conservative in their political leaning, together with the foreign element.

They want peace and protection at any cost to be able to devote themselves to their livelihood, and it matters little to them who is in power, so long as an end is put to the warfare and pillage which are rampant and they are safe from persecution. These people were all favorably disposed toward Gen. Carranza when he and his forces first came down from the north. His harshness, his vindictiveness, his radicalism, and the abuses of his followers, brought to a climax by the reign of terror of Gen. Alvaro Obregon in the capital, won from the constitutionalists the sympathy and trust of the majority.

Later excesses of the Zapatistas, characterized rather by ignorance and savagery than by ingenious grafting methods and the dismal failure of Villa in the north, put the conventionalist element without the bounds of possibility as hopes for the establishment of better things under their rule.

The régime of Gen. Pablo Gonzales in Mexico City, while suffering from the defects which have characterized all the revolutionary administrations in the capital, exactions, persecutions, and the like, has been so much better than that of Obregon, the Villistas, or the Zapatistas, and the food situation, while still afflicting, has improved so in the capital that Mexico City's public is again rather feeling less unkindly toward the constitutionalists in general. The absolute stoppage of political vindictiveness and unnecessary persecutions on that score to get possession of the victims' positions and properties and the establishment of a stable legal tender would go far toward making the constitutionalists strong in the least impoverished and most enlightened portion of the Republic.

CITY A SAD SIGHT.

The City of Mexico presents at present a sad and depressed appearance in general, despite the arches of triumph which are being constructed all along Avenida Juarez and Avenida Francisco I. Madero (formerly San Francisco), its principal thoroughfares, and the myriads of incandescent bulbs which are being strung over the facades of the public buildings in preparation for the arrival of the First Chief, who is expected at the close of next February, when there will be official festivities on such a scale as have never been seen in the Republic.

Hundreds of beggars, ragged and half starved women and boys, dodge and scurry or drag themselves along under the scaffolds that are going up and fairly assault passers-by on all the street corners, whining and pleading for a pasteboard slip with which to "buy bread." Many stores and offices are closed, where formerly flourishing business was carried on.

Street cars pass at irregular intervals, crowded until there is no standing room left, even on the steps; the coaches are drawn by half-starved "sardines," as the cab horses are called in Mexican slang, and go at a funeral pace; automobiles full of constitutionalist officers whiz down the principal streets, swing wildly round the corners, and bowl over all obstacles that stand in their way or cross their path. Most of these autos have been confiscated from their owners.

At least 80 per cent of them now are in the hands of Government officials and military men. Most of the rest are owned by foreigners who have them confiscated every little while and get them back with difficulty.

FOOD STILL HIGH.

While food conditions have improved in the capital since the establishment of Gen. Gonzales there, and certain articles, such as meat, corn, frijoles, sugar, and rice, have cheapened considerably, conditions of living still are very difficult and prices in general are going up. Especially is this true of clothing, medicines, and practically everything apart from fuel and the most rudimentary articles of food mentioned.

Merchants are afraid to reduce their prices because of the difficulties attending renewal of their stocks under present traffic conditions and because of the risk attending possession of the money in circulation under the revolutionaries.

On account of official declarations regarding the prevalence of counterfeits, with specifications of the false notes, which may be contradicted officially a day or so later or may not be contradicted, such a distrust exists regarding the bills that all merchants endeavor not to be left with any great quantity on hand overnight.

It is always hard to sell bills for gold on Saturday because of the uncertainty as to what official declarations may be made the Monday following, Sunday being a day when the market is closed and no transactions can be made.

Speculation in exchange has become one of the most lucrative employments, or at least one of the most general throughout the Republic of Mexico. Offices, licensed by the authorities, are set up everywhere and fortunes are made or lost in a single day.

Not very long ago through an official declaration in the official organ, *El Pueblo*, declaring that a great proportion of the Constitutionalist bills in circulation were counterfeits and would be taken up and destroyed by the authorities, the price of the bills in American currency dropped from 12 to 17 to 1 in 24 hours.

Two days later the officials had reconsidered their statement and declared that the amount of the counterfeits had been found to be unimportant, another declaration coming out to this effect in the official organ with specifications as to the few that were not good and how to distinguish them. The price of exchange went back again to 13 to 1 in a few days. Those who had sold gold for Constitutionalist bills when the panic began and bought it later when the bills rose made fortunes. There are malcontents in Mexico who say that the authorities were the principal gainers through the panic which was originated and ended by the official organ.

MANY STRIKES IN CAPITAL.

There have been numberless interruptions in the monotony of things in the City of Mexico owing to strikes in the different branches of industry. One of these which made itself particularly felt recently was that of the Mexican employees of the baking establishments. The Spaniards have an absolute monopoly of that industry. The authorities, as usual, when they are not the employers, sided with the strikers, and particularly so in this instance, as the Spaniards, because of their hardworkingness and industrial competition, and the racial antipathy felt for them by the Indian, who predominates among the revolutionaries, are hated more than any other foreigner, the Americans occupying second place in unpopularity.

The Spaniards bakers having refused to comply with the demands of the strikers for a raise which would have left them without any earnings, the authorities aided the strikers to establish for themselves and put their former employers out of business. A good many Spaniards have sold their baking establishments on this account, being unable to compete with the joint forces of the strikers and the authorities, and the latter are buying up the baking establishments, as they are sold for a song.

Some of the Spanish bakers still keep up the competition but are losing money. The price of bread remains unchanged and is still very high on account of the shortage of flour.

The Spaniards have a monopoly of the saloon and grocery business in Mexico and had a monopoly of the pawnbroking trade. The latter was abolished by the revolutionaries, who made them return all small pledges without interest and so trammelled them in regard to their interest rates and so burdened them with taxes and restrictions that they all, without exception, went out of business and devoted themselves to other livelihoods, principally bazars for buying and selling second-hand articles. The only pawnshops now existing in Mexico are those of the administration called "Montes de Piedad," which charge cheap rates of interest but have no taxes to pay.

HEARD BLOW TO SALOONS.

The Spanish saloons recently received a hard blow in a decree which was published by the governor of the federal district ordering all saloons to move off Avenida Francisco I. Madero and away from the vicinity of the churches, none being allowed within a hundred meters distance of any church.

As there is a church for almost every block in the center of Mexico City, and the Spanish saloon keepers mostly have their locations on long leases, the decree ordering the majority of them to seek other threatened to put them out of business. All had been losing money heavily for over two years on account of the different revolutionary authorities closing their establishments for long intervals as measures of public order to lessen drunkenness, and exacting tributes of them when allowed to reopen.

The saloons have not yet moved from their locations, although the time fixed for that has expired; but they have paid heavily to the authorities, and the matter of their being forced to move still is pending. The hours for saloons being allowed to remain open during the day are regulated according to the amount paid by each. Some stay open until the small hours of the morning and others are closed all or nearly all day long.

The houses where the exchange business is carried on, a great proportion of which are in the hands of Spaniards, have been levied on heavily for taxes. A few days ago the proprietors of the saloons, bazars, and exchange offices, as well as many other commercial establishments, were called to appear before the chiefs of their respective police precincts and "invited" to contribute for the erection of the arches of triumph which are going up preparatory to the festivities attending Gen. Carranza's arrival in the capital of the Republic.

All who were called upon contributed considerable sums. The fear of being considered as "seditious" acted as a stimulus to their generosity.

The offices and pressrooms of the Mexican Herald still remain closed by order of the Mexico City police authorities. Paul Hudson, the prin-

pal owner of the paper, and others interested in it have received no explanation for the closing, nor have they been cited to appear before the authorities.

CENSORS TO GET OUT PAPER.

The paper has been closed for over a month, and during that time the official constitutionalist organs have constituted the sole press in the capital. Some Americans employed as censors and press agents by the constitutionalists are preparing to publish a paper in English to take the place of the Herald, which will be financed by the administration. This paper already is soliciting advertisements and will be published in a few days.

One of the aspects of the policy of the constitutionalists in the south of the Republic which has been most commented upon since American recognition became known as a fact is the general vindictiveness displayed in punishing political opponents. The execution of Garcia Granados and of Gen. Navarro recently, when the former had been sentenced lightly and the latter acquitted by the court-martial which judged them, the sentence being overridden by the higher authorities, produced a sad effect upon those looking to the constitutionalists to cement peace, stop useless persecutions, and bring all peacefully inclined men together for the rebuilding of the country.

Antonio Rivera, former secretary to the federal district government under Huerta, who, in spite of a written safe conduct he carried from Gen. Carranza, was arrested and imprisoned when acting as a witness in favor of Garcia Granados, shortly will be tried before a court-martial, and fears are expressed that it will go hard with him.

He has many friends in Mexico City, and apart from having been unfriendly to Madero, having accepted a post under the Huerta administration, and written criticisms of the Madero administration for the press of the capital, not even his most bitter political enemies have any accusation to make against him.

Political arrests and persecutions continue not only in the City of Mexico but all over the Republic. The number of exiles and fugitives from the authorities is legion, and confiscations and arrests are the rule of the day. The amnesty decrees of the different constitutionalist authorities have only been observed in such cases as suit their convenience. So many have been arrested and imprisoned or executed after they had surrendered in response to the decrees offering amnesty to political enemies of the administration that fugitives remain in hiding or under arms in the outlying districts, and the labor of peace and reconstruction is greatly retarded.

Mr. WILLIAMS. Mr. President, I listened, as nearly everybody always does, with a great deal of interest to the Senator from Massachusetts [Mr. LODGE], and I was happy enough to hear a part of what was said by the Senator from New Mexico [Mr. FALL]. I do not want to discuss the entire question right now, but I do want to discuss the salient, central point involved in the controversy.

In my opinion, that salient, central point is the right of any community to govern itself, and the duty of every other community to abstain from attempting to control a given community's domestic affairs. Now, the right of self-government carries with it, ex necessitate rei, the right of self-misgovernment. If a people are to be allowed to govern themselves just so long as in somebody else's opinion they govern themselves right, and then are not to be allowed to govern themselves when other people think they pass the bounds of right government, then the people of that community are neither free nor independent—they are held in suzerainty to the criticizing community. A people can not have self-government without having self-misgovernment until or unless men become angels.

The degree of self-misgovernment is one thing; the fact of self-misgovernment is another. Now, it is true that some people, in attempting to govern themselves, misgovern themselves to a horrible extent, and that other people, in attempting to govern themselves, misgovern themselves to a moderate extent; but there is no line of demarcation to be drawn. If a country is to be allowed by other countries to misgovern itself moderately then it has theoretically, abstractly, academically, practically, and internationally the right to misgovern itself to a very much larger extent because you can not draw the line of demarcation in degree.

This is no new question, Mr. President—not in American politics, at any rate. It just so happens that at one time George Washington was President of the United States, and tried to run a Government upon neutral political lines, non-partisan lines, and because he did he was afterwards claimed by the Federalist Party as being one of their great saints. If he ever became so, it was after he left office. It just so happens that at the same time Thomas Jefferson was his Secretary of State, and furnished him with his policy, as far as the State Department was concerned, upon most matters—not, perhaps, every single one. It just so happens that before the close of the eighteenth century a revolution broke out in France. No people anywhere ever started a revolution with higher ideals or loftier purposes. Few people anywhere ever sank to lower levels before they got through with it. They started a movement for the abolition of special privilege—of noblesse, clergy, everybody—and in behalf of a recognition of what they called the "rights of man," and they synchronized that with the right of "liberty, equality, and fraternity." They got into a European war, and after a while, there being elected to the convention to govern France a lot of people who never had had any experience at governing anything, France fell under the control of the convention

into the worst disorders of every description—a resurgence toward barbarism upon the part of a people, very nearly a whole people—the *Jacquerie* in the country and the mob in Paris, a people theretofore highly civilized, and Danton and Robespierre and Marat and all the balance of the men whose names have been synonyms of fanatical cruelty became the French Government, if that might be called government which recognized no bounds to its hates, its cruelties, its theories, or other physical or mental or social or antisocial activities.

The "people" went ahead headlong in a mad career, and, instead of merely imprisoning a poor, idle, indolent, foolish king, they cut off his head; and instead of imprisoning or, if necessary, banishing an idle, vainglorious, and fashionable woman of little sense but of a good heart and great, good breeding, they cut off her head, and brutalized her child and finally murdered him.

There has been no page in history hitherto written darker than the page of the French Revolution at one time of its chronicle. There has been no movement in history that started with as high aspirations and as lofty purposes, and which left to the world as great a legacy of substantial good, as the French Revolution.

What took place elsewhere and among other peoples? Why, the King of Prussia and the Emperor of Austria—because he was even then called Kaiser or Caesar, implying world dominion—concluded that because just upon the southern boundary of one and just upon the western boundary of the other—in their back yard, so to speak—anarchy existed and apparent chaos existed, that therefore a right of intervention existed. The American people, as represented by George Washington, President, and as represented by Thomas Jefferson, Secretary of State, never admitted that that claim of right of intervention because of gross self-misgovernment of a neighbor was good. They took the position, upon the contrary, that France had a right to settle her domestic affairs; and although they did not word it as I did a moment ago, it substantially amounted to the same thing—that with the right of self-government upon the part of the people of France went the right of self-misgovernment so far as any other nation was concerned; of course, not as far as God was concerned, nor as far as France herself—the local sovereign—was concerned.

There is nothing new about this. The Senator from Massachusetts [Mr. LODGE] rises here and tells us that the military governor of some State down in Mexico utters a pronouncement to the effect that "God wanes while revolution gains"—a diatribe against religion. There are Members of this Senate, or may be, who have forgotten—there are none who upon refreshing their memories will not recall, and the Senator from Massachusetts, with his scholarship, does not need to recall—the fact that there was a period during the French Revolution when God was declared to be nonexistent, and when a common prostitute was crowned as "goddess of reason." There seemed to be a revolt then and there against all forms of superiority—birth, wealth, education, morality, and finally God Himself. Did we "intervene"? Did we indorse European intervention even "in behalf of God and morality"? No; we distinctly disapproved and laid down a doctrine to the contrary for our own guidance as to all peoples and some years later as a warning to Europe with regard to American concerns.

Mr. President, whenever any people anywhere begin to inquire into fundamentals—whenever people begin to question what has traditionally been held to be fundamental in human, political, or social conduct—those people are apt to go to extremes; and if you flatter yourselves that they do it because they are French or because they are Mexicans or because they are something else, you flatter yourself with little cause. You, yourself, under the same circumstances would probably or might possibly do the same thing.

Your so-called civilization is about skin deep. There is a veneering that human progress has put upon animal man, not a very deep veneering and not a very tough one. The most highly cultured people intellectually upon the surface of this globe to-day have not very remotely illustrated that fact upon the plains of Belgium; they have been illustrating it upon the high seas; and one of their chief opponents upon the high seas illustrated it to the last extreme in the case of the *Barralong*. You are no better than they. Intellectually you are no wiser, morally you are no better, physically you are no stronger, and historically you have no more or greater honors behind you.

What if some military governor somewhere in Mexico did say that religion was a farce and God was a myth; he is not the first fool who has "said in his own heart there is no God." But the United States took the position that matters of that sort were matters for the consideration of the country—that self-government carried with it the right of self-misgovernment; that the

fact that there was anarchy and wrong domestic conditions within a given country gave no right to another country to go there and assert itself as a master. I am free and independent, but the moment the Senator from Minnesota [Mr. NELSON] can say to me that "because you hold certain ideas and do certain things I assert my mastership," that moment I cease to be free and independent and become servant and slave and, if I submit, craven as well.

Now, if you do want to take hold of Mexico and straighten Mexico out, civilize it and unbarbarize it, if I may make such a word; that is one thing. If you are going to do it, then you must do it virtually by annexation. You can not do it by spasmodic international interference. If you were to undertake it even by annexation you would fail, because there is not an instance in all the history of the world where a superposed civilization lasted. It is a mere veneering; it does not go to the substance. It is not grounded in the life, it is not grounded in the thought; it is not grounded in the feeling nor the ideals nor aspirations of the people upon whom you attempt to superpose it. You can not make a white man of a Chinaman nor a Chinaman of a negro by law, and you can not make a self-governing people out of Mexicans by any amount of international interference.

What then? It is sad; barbarous; it is true; but what of it? They are to be left, as every other nation is left, and as every individual to a certain extent is left, to "work out their salvation in fear and trembling before God." There is but one way of working it out, and that is gradually going through the travail of the childbirth of liberty and self-government; and while they are going through that sort of process they are gradually destroying that which is most antagonistic to liberty and self-government, and they are gradually establishing the power and influences which are most favorable to liberty and self-government.

The idea of the Senator from Massachusetts [Mr. LODGE], of all men, standing upon this floor and quoting the utterance of a military governor of a Mexican Province who has not only defied law and morals, but the Supreme Deity itself, and presenting that to the American Senate as something new and startling, strikes me—oh, I will not say how it strikes me—except that considering it came from the Senator from Massachusetts it strikes me, let me say unfavorably and unexpectedly.

There are some other things that are not new since this discussion has started. This Government laid down the rule in the very first administration of it under the new Union—under the present Constitution—that the citizens or subjects of a neutral country have a right to sell munitions of war to either belligerent in war, provided the other is not forbidden by law to buy the same things in the same market, both equally subject to the right of capture of the things thus bought by the other, leaving to the chances of war the power to capture. That was indorsed by George Washington after Thomas Jefferson had reduced it to writing, and it was made an utterance of the State Department, under the President's approval, to the entire world. It was not founded, as men who are in their thoughts treasonable to the United States Government say, upon the idea that we merely wanted to make money out of people who are shedding one another's blood abroad. That was not the reason for it. It is not the reason for it now. The reason is broader and deeper and higher. The reason is that if you establish as a universal policy that one belligerent making war upon another can not buy munitions of war from neutral countries, then you have secured in advance the military success of that country which constantly keeps itself in peace times upon a war footing, and you have decreed in advance the defeat of the country which regards war as a mere limited thing, now and then to be expected, but not as a constant occurrence, and who prepares itself mainly for peace and only spasmodically for war—in peace keeping prepared only for defense, but always prepared for more peace and better peace and truer peace—men being men "for a' that" and brothers "under their skins."

Mr. NELSON. Mr. President—

Mr. WILLIAMS. One word and I will yield to the Senator.

Mr. NELSON. Just a word.

Mr. WILLIAMS. I will yield in one second. What chance, in God's name, could our own country have? Washington knew it, Jefferson knew it, and Andrew Jackson later on knew it, for he reenforced it. What chance would our country have in a naval war with Great Britain or a land war with Germany if we could not buy munitions abroad from neutral powers? We would be condemned beforehand to absolute, international slavery—subjects of international diplomatic bullying. We would be subject to be bullied by every first-class power in the world

who possessed conscious strength behind their bullying, whether on sea or on land. It was therefore the policy announced by us in our own interests, but more than that the policy announced by us in the interests of humanity, a policy announced in the interests of peace-loving, war-fearing peoples as against war-loving and peace-dreading peoples. Now I yield to the Senator from Minnesota.

Mr. NELSON. Mr. President, the question I was about to ask the Senator I think he has in part answered. The establishment of the doctrine that we have no right to ship munitions of war to belligerents would hamstring our own country in a case of an emergency when we had exhausted our supplies in the defense of our own country.

Mr. WILLIAMS. Not only that, Senator, but it would hamstring us to an extent greater than it would hamstring any other first-class power on the face of the earth, because the main object of our Government is to develop the individual, and we do not admit the German or Roman theory that the main object of the individual is to be a servant to make the Government either great or splendid or powerful or world dominating. We have no song, "America over all." Believing that, we believe that the ordinary life of the Nation is peace and that we must prepare for the continuance of peace in its ordinary life, and only when an emergency requires it is it necessary to prepare for war, and only when a great emergency requires it is it necessary to engage in war.

Now, take another country, whose children are taught in the schools, whose youth are taught in the universities, whose young men are taught in the army that the main object of the existence of an individual is that he may be a part of a great organized society which shall be splendid and powerful with world dominion, and who with all that teaching keep themselves "prepared" all the time on a war footing permanently. I am speaking of no particular power, but of any to which that may apply; any who do keep themselves prepared with stocks and stores and munitions of war, with stocks and stores of factories, encouraged by legislation to keep up the constant and yearly and weekly production of munitions of war. In heaven's name, what sort of a chance would we stand?

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Idaho?

Mr. WILLIAMS. In a moment. The Senator from Minnesota [Mr. NELSON] went out when a boy, I believe, and got the high office of corporal. I have always heard him spoken of as "Corpl. NELSON." Suppose that with the then condition of the North, without the thousands of munition plants all over the world—in England, France, and Prussia—making the biggest guns then known and turning out all the ships then known, the United States Government could not have imported a ship or a gun or a pound of powder from anywhere else in the world, they themselves—these United States then virtually making none—and suppose the South had had plenty of all—how long do you think Corpl. NELSON would have lasted? I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, the Senator has defined what our national policy has been with reference to military preparedness and the training of American youth, and so forth. Does the Senator believe there is any necessity for changing that national policy?

Mr. WILLIAMS. There is no necessity for "changing the national policy," because a national policy is a permanent thing—a usual thing; the rule, not the exception—but there is a necessity, which in my mind is so plain that "he who runs may read," for present preparation against anticipated and approximate danger.

Now, one other word and then I will yield again. You frequently hear men say that "all Europe will be exhausted at the end of the war," and that no country will be aggressive and none will be seeking trouble. Do you know when a nation must seek trouble—absolutely must seek it—in self-defense? When it has an autocratic government, with millions of men under arms after a successful war, who the moment they are disbanded must go back to civil life and hunt lost employment. Under such distressing present conditions, with the capital which formerly employed them almost exhausted, there is a spirit among a successful soldiery that leads them to "follow the eagles" to the confines of the earth. Now, one word along that line. Do not talk about nations being "exhausted." Here are the little impetuous Balkan States; Bulgaria is one of them. It went through two wars which tested every fiber of its people's courage, and which tested every financial resource of which they were capable. It went through the first war and was bankrupted substantially. It went through the second war and they were a little bit more bankrupted, if anything. Now

they are joining in the third war with 500,000 well-equipped men in the field. The Kaiser himself has not furnished any better soldiery, as far as mere efficiency in war goes.

What you have got to dread aggression from is a victorious country already in position, equipped, mounted, ready, with millions of men, and already successful. The great Napoleon found that there was a period in his career when he could not stop. He had either to abdicate or go further; and every autocratic Government which gets into that situation is going to find the same thing.

Mr. BORAH rose.

Mr. WILLIAMS. If the Senator will pardon me, we are going to find the same thing. You can disband a great army in a free country—we did it after the war; but it is a very difficult operation in a country founded upon military traditions and a military organization officered by a purely military caste and supported by military ideals. Now I yield.

Mr. BORAH. Does the Senator really believe that we are going to be attacked at the close of this war by some European Government out of a pure spirit of conquest?

Mr. WILLIAMS. I do not, with any such avowed reason.

Mr. BORAH. Why should they attack the United States?

Mr. WILLIAMS. There is always to be found a reason; there is always a pretense. The wolf found one over the lamb's protest.

Mr. BORAH. What is the reason now?

Mr. WILLIAMS. There is always a condition.

Mr. BORAH. What reason now assigns itself to the mind of the Senator that we must anticipate an attack from some Government in Europe?

Mr. WILLIAMS. I will tell the Senator. I am not anticipating an "attack," in the first place. I am anticipating *bullying* first, and I am anticipating the fact that the American people will not consent to be bullied. Now I will tell the Senator why I anticipate bullying.

Mr. BORAH. Bullying would be for the purpose of attack.

Mr. WILLIAMS. Not necessarily, though in effect and perhaps as a provocation to make us attack. The gentleman forgets the difference between the subjective and the objective entirely. Objectively, yes; subjectively, no. The possibility might be, and any man can find a hundred good reasons for it. One way, a great power in Europe to-day believes and the people in that country believe that we have virtually made ourselves allies of the other belligerent, because whatever was the principle of international law and whatever was the traditional policy of the Federal Government, the effect upon them has been that we exported munitions of war to both the belligerents equally on paper, but to one belligerent only in fact; because the other belligerent had no sea power and no means of transportation, we have, in their minds, virtually become the allies of their enemy. We have raised some very delicate questions with that power. They remain to be settled. We have gone far enough to demand apologies and satisfaction for the sudden unwarned high-sea assassinations of our women and children as well as our men upon unarmed merchant vessels. There will be plenty of diplomatic talk about that, and there will be plenty to quarrel about. Just in inverse proportion to the naval power that we have back of us when we talk will be the height of conversation of that country, and the depth of it, and the extremity of it—in short, the bullying of it.

Unless we are prepared either to control the sea and thereby "spread a wave of caution" in the mind of a military and naval bureaucracy and "divine right" autocracy or unless we have at least Navy enough to make them doubtful as to whether they can control the lines of oceanic transportation for troops, then will come the bullying, to which we must either submit or unavailingly and ineffectively make puerile resistance.

Now, if the American people had "sense enough to stand bullying and let it go at that," as a man said to me not long ago, it would be all right; but the American people have neither that degree of sense nor that kind of sense; and by the way I am not hungry or yearning or thirsting or praying that they may acquire it. I am a peace fanatic, but there is a point where I object to the other fellow's shedding my blood. Not long ago a man said to me "I do not want to shed the blood of any people on the surface of the earth." I replied, "I do not, either, but I do not want anybody to be shedding mine either." It is like the boy whose mother told him not to fight. The boy said, "Mamma, I think you are right, but those boys down there in Peanut Alley, what about it, if they go to fighting me?" We have already been bullied, have we not, by both sides?

So much for one side of the shield. What is the other? Another great belligerent has violated nearly every rule of international law with regard to our commerce upon the high seas. Do you suppose that we will stand a better chance or a worse

one of getting satisfaction upon that subject if we are ready than if we are unready?

All these questions are in the field of diplomacy now, and the President of the United States has very wisely attempted to keep them within the field of diplomacy. I am sorry for one that Congress had to meet right now. I think the management of our diplomatic affairs would have been more wisely handled by a man long visioned and deep visioned and tender visioned than they are apt to be when they are made a game of battle-dore and shuttlecock on the floor of these two Houses, even when I am one who is forced by others to join in playing the game.

You ask me from whom and what we are going to expect aggression about? My answer is, We have already had it from both sides—if assassinating our women and children on unarmed merchant ships on the high seas wherever they go be not aggression, and if after having that fact brought to the attention of a great power the great power talks, and if while it is talking it perpetrates the same crime upon the crew of another ship, and if, after further talk and just before making an apology, it perpetrates the same crime upon the crew of still another ship, and then if, after it has come into our notion and agreed for the future that their action shall be limited by our demands, another ally of the same power comes in and perpetrates the same crime on still another ship, and then tells us in the high-toned dogmatism of diplomacy that we have never discussed the matter with *them* as an "independent sovereign power," and that they had a right to murder our women and children and men, noncombatants, on an unarmed ship, after their allies agreed not to do it, on the high diplomatic ground that we had "never discussed it with them," with the implication in the rear that after we get through with them Turkey will also have a right to sink one, two, or three ships and talk about each, and after that Bulgaria, if she has anything to do it with, might sink another, and talk about it while a second is being sunk, and its noncombatant crew and passengers assassinated.

You have here a long parley reaching each sovereign power that had no independent diplomatic notice, however much real notice they had of our objections to that sort of thing.

The Senator from Georgia [Mr. SMITH] the other day made it sufficiently plain that another great belligerent power has violated to the same degree, though in another field of action and touching another subject matter, this time property—not life—all our rights as a neutral people entitled in war as in peace to commercial relations with the world except where belligerent rights intervene.

Mr. President, as far as I am concerned—and I am as much interested in cotton as any gentleman upon this floor—I would give one crop of cotton, or two crops of cotton, or more and see them destroyed any day or over night rather than to demand the shedding of the blood of one American boy. Whatever damage sounds in money or in merchandise can be cured by money, and it can not only be cured by money, but a wise government may at times well procrastinate and postpone in order that the appeal for reparation and indemnity may be made to a cooler court, a cooler jury, to a people, who, after war is over and the high feeling of war has subsided, are capable of considering things impartially from the standpoint purely of the demands of justice. So far as the mere money damage is concerned to cotton or any other product of merchandise I would do as Washington did, as Adams did, as Jefferson did, and as Madison tried to do during the early period of his administration during the French revolutionary and Napoleonic wars. I would "bear and forbear" until a cooler time came. I would do as Lincoln did during the Civil War, and the result of the arbitration of the Alabama claims proved him to be right in doing it.

There is only one thing that can not be procrastinated or postponed with honor. There is an old Spanish proverb that "gentlemen never quarrel about money." That is not internationally altogether applicable, but it is a pity to see two nations ever fighting one another about money, even if they do diplomatically quarrel. But there is a point beyond which and about which you can not procrastinate, and questions growing out of which you can not postpone in honor and self-respect; concerning which you must demand that *there shall be a cessation*. "You may steal my purse—'tis trash"—but you can not come upon my premises or upon the premises of a neighbor where my wife and children are, have a right to be, and trespass upon their lives or their liberties or their limbs; that is a different proposition.

Now, so far as any oratorical attack has in view to weaken or hurt this Democratic administration—if there be anything

of that sort in any man's motive for speaking—I, for one, decline to respond to it, because I, for one, decline to bring a great international question down into the dust and sweat and turmoil of political discussion. I will only say this, and upon reflection I can not say it better, I believe, than to repeat what I said a moment ago—repeat it, not because repetition is necessary, but simply to emphasize it—that whatever any man may think of him, there is in the White House at this time—and I do not say it because he is a Democrat; during the Spanish-American War I uttered a compliment equally extreme, though not of the same exact character, because the two men did not possess the same personal traits, of President McKinley—but there is a man in the White House now who has deep vision, long vision, and that means historic, educated vision and tender vision—by which I mean a vision which, after it sees and before it advises action, considers thoughtfully not only American humanity but humanity all over the world. That is right, and that is totally a different thing from allowing wrong to run riot in your own land, and not rebuking and fighting against unrighteousness of government at home—the last is one thing, but making yourself God's globe-trotting, earth-perambulating missionary of good government all over the globe is a totally different thing. I do not see, for the life of me, why when Mexico is working out her problems with blood and with robbery and with horror and with everything else that is reprehensible, but still approximating an issue and approximating an end to it, we should raise any voice in criticism of a policy which has borne and forborne, and which will bear and forbear still further—recognizing the eternal truth that she must "work out her own salvation in fear and trembling." If a common woman can not bear a common child without travail, how can a people give birth to law and order and liberty without it? Do you forget the "War of the Roses" in England? Do you forget the Thirty Years' War about nothing but creeds?

Mr. President, I did not intend to make this speech; I am a little sorry that I did do it; but the remark of the Senator from Massachusetts [Mr. LODGE], carrying with it the inference or insinuation that it was our duty to call people to order because some fellow down in Mexico had said that "God wanes while revolution gains" and had expressed a doubt of the existence of any God or any religion, aroused in my mind certain historical associations. When I first rose I intended only to mention them and to sit down; but, as usual, my slow-working intellect is stirred up by some quicker intellect asking me questions of some kind, and before I know it I have made an extended speech.

During the delivery of Mr. WILLIAMS's speech,

The PRESIDING OFFICER (Mr. BECKHAM in the chair). The hour of 2 o'clock having arrived, the resolution goes to the calendar, and the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (S. 381) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands.

Mr. STONE. I ask the Senator from Nebraska to agree to lay the unfinished business aside temporarily until the pending resolution can be disposed of.

Mr. HITCHCOCK. That course will be satisfactory, Mr. President, if the bill holds its place as the unfinished business.

The PRESIDING OFFICER. The Senator from Mississippi will proceed.

After the conclusion of Mr. WILLIAMS's speech,

Mr. STONE. Mr. President, I had intended to make some observations after listening to the address of the Senator from New Mexico [Mr. FALL], and that of the Senator from Massachusetts [Mr. LODGE]; but since this discussion has already been prolonged to a point where I am sure my friend from Nebraska [Mr. HITCHCOCK], who is anxious to press the unfinished business, begins to feel impatient, and as there seems to be really no necessity for further discussion, I shall merely say a word and then ask for action on the resolution.

Mr. BORAH. Mr. President, I am interested in this resolution somewhat, but I could not hear the statement of the Senator from Missouri.

Mr. STONE. I said that I was about to ask that the resolution be acted upon, in order to dispose of it.

Mr. BORAH. Does the Senator from Missouri desire to send it to a committee? Is that the purpose?

Mr. STONE. No; I wish the resolution adopted.

Mr. BORAH. Then I think I may cut my remarks very short.

Mr. STONE. Does the Senator from Idaho desire to address himself to the resolution?

Mr. BORAH. I do, if the Senator is opposing the adoption of the resolution.

Mr. STONE. I am not opposing its adoption.

Mr. BORAH. Then I certainly have no desire to take up the time of the Senate.

The VICE PRESIDENT. The resolution went to the calendar at 2 o'clock.

Mr. STONE. The unfinished business was laid aside temporarily in order that this resolution might be considered and disposed of.

Mr. HITCHCOCK. Mr. President, I did not so understand.

The VICE PRESIDENT. The present occupant of the chair does not so understand.

Mr. HITCHCOCK. I think the resolution had already gone to the calendar before the Senator from Missouri suggested that I yield to the Senator from Mississippi [Mr. WILLIAMS] in order that he might address the Senate.

Mr. STONE. If the Senator will permit me, as the matter happened it was in this wise: The Chair at 2 o'clock laid the unfinished business before the Senate. At that time the Senator from Mississippi was addressing the Senate on the resolution. I then asked the Senator from Nebraska [Mr. HITCHCOCK] if he would not request that the unfinished business be temporarily laid aside in order that this resolution might be disposed of.

Mr. HITCHCOCK. Then I misunderstood the Senator's request. I understood his request to be simply that the unfinished business be laid aside in order that the Senator from Mississippi, who had already commenced his speech, might be permitted to finish it. Of course, if the Senator from Missouri is very anxious for the consideration of this resolution and the disposal of it—

Mr. STONE. We can dispose of it in a moment.

Mr. HITCHCOCK. I doubt that very much. I think there are some other Senators who desire to discuss the resolution.

Mr. FALL. There is to be no further discussion of it on this side that I know of, unless the Senator from Idaho desires to speak.

Mr. STONE. I understood the Senator from Idaho to say—

Mr. BORAH. I have no desire to discuss the resolution if it is not going to be opposed. If the Senator from Missouri is willing that it shall be adopted, I have no desire to discuss it.

Mr. STONE. I had supposed when the resolution was laid before the Senate that it would be disposed of in five minutes, but the Senator from New Mexico asked certain questions, desired certain information set forth in the resolution, and then proceeded to make a somewhat protracted speech. Mr. President, there is no objection that I know of—and there should be none—to the adoption of the resolution, and I ask that it be now disposed of.

The VICE PRESIDENT. Is there objection to action upon the resolution at this time? The Chair hears none, and the question is on the adoption of the resolution.

The resolution was agreed to.

THE GOVERNMENT OF THE PHILIPPINES.

The Senate, as in Committee of the Whole, resumed consideration of the bill (S. 381) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands.

Mr. HITCHCOCK. Mr. President, I hope the Senate can proceed this afternoon to a consideration of the committee amendments to the pending Philippines bill. Yesterday I consented that the matter might go over until to-day in order that the Senator from Rhode Island [Mr. LIPPITT] might be present; but it seems to me, after a telephonic communication with him, that he will probably consent, with some of his associates on the other side, to the consideration of the committee amendment, to which, as I understand, he has really no opposition, so that we may make progress by perfecting the bill at this time.

Mr. SMOOT. Mr. President, I am informed that the Senator from Rhode Island will not be able, on account of illness, to be in the Chamber until next Monday. I suppose the Senator from Nebraska will not object to leaving the amendments that may be passed upon now in such a position that, if the Senator from Rhode Island desires to discuss them or to offer amendments to them, he will have that privilege.

Mr. HITCHCOCK. I think that could be done. Certainly the Senator would have his opportunity to do so when the bill comes into the Senate. I have no desire to press the bill to a vote until the Senator from Rhode Island can be present and can be heard upon the preamble especially, which, I understand, is the point upon which the greatest contention is likely to arise.

Mr. LODGE. Mr. President, the Senator from Rhode Island will really be unable, owing to illness, to be here before Monday;

but he told me that he wished an opportunity to discuss the preamble before it came to a final vote, and that he expected to be here on Monday.

Mr. HITCHCOCK. Mr. President, I shall take the liberty of saying a few words in presenting this bill to the Senate.

This bill contains two essential features. In the first place, it grants to the people of the Philippine Islands a larger degree of self-government than they have heretofore enjoyed. Secondly, it promises ultimate independence. These two features I shall briefly discuss separately, although there is a natural and historical connection between the two. I shall undertake to show that, in so far as the United States has a policy in the Philippine Islands, it embraces a gradual extension of self-government to the people of those islands, and it also includes very definite and positive assurances given to them in the past that under proper conditions they would be permitted to become an independent nation.

At the outset let me say that this is not a partisan bill, because the policy which I have described is a policy which has been upheld by Republicans and Democrats alike. The Republican adherence to this policy is evidenced by the repeated official statements of Presidents of the United States, Secretaries of War, who had the Philippines in charge, and Governors General speaking to the Philippine people in the name of the American Government. Those utterances, which in part I shall quote, indicate conclusively, to my mind, that those high officials have given public and official assurance to the Philippine people, first, that there is gradually to be extended to them on account of the increasing degree of self-government, and, second, that ultimately, some day, under proper conditions the people of the United States were to acknowledge the independence of the Philippine people. So much for the Republican position.

The Democratic attitude heretofore has been confined to the declarations of the Democratic Party in national convention, and those declarations are substantially to the same effect. This bill, therefore, now before the Senate, is here not as a partisan measure, but as expressing the settled purpose of the two parties, the settled policy of the American people. I say, therefore, it is not a partisan measure, and should have, as I believe it will have, not only the general support of this side of the Chamber, but to a large extent the support of Republican Senators as well.

Let me briefly review the course of American-Philippine history. On May 4, 1898, occurred the battle of Manila Bay, in which Admiral Dewey commanded the American forces. During the summer of that year American troops were brought over and the town of Manila was besieged. On August 13 of that year the town of Manila surrendered to Gen. Merritt, head of the American Army. On December 21 of that year, 1898, the President issued his proclamation taking over those islands in the name of the American people—lands 8,000 miles away from the American coast, islands inhabited by 8,000,000 people, of whom nine-tenths were Christians, islands which for 300 years had been in the possession and under the control of the old Spanish monarchy, islands which contain almost as large an area as the British Isles in Europe, islands which lay upon the bosom of the Pacific Ocean in the very shadow of Asia.

On February 22 of the following year, 1899, began the Philippine Insurrection. The Filipino soldiers had assisted the American Army in the conquest of Manila, but in a short time they became restive under the conditions and decided to continue against the Americans, who were taking the sovereign power of the islands, the same insurrection which they had been carrying on against the Spanish Government since 1896. That insurrection began February 22, 1899. On March 4 the first Philippine Commission appointed by the President of the United States arrived in the islands. President Schurman was the chairman of that commission. It was largely, in fact almost wholly, an advisory body, for the real power rested in the military authorities in the islands.

I want to quote briefly from the language used by President McKinley in giving his instructions to that commission, because it illuminates the real purpose of the American people and it vindicates that purpose. He instructed them that they were so to conduct themselves toward the Philippine people as to prove to them that the United States was to be a liberating rather than a conquering Nation.

On April 11, 1899, the treaty with Spain was concluded, by which Spain relinquished forever her claims in those islands. On April 7, 1900, the second commission, with Mr. Taft as chairman, arrived in the islands. To this commission the President of the United States gave for the first time legislative powers, powers which to some extent had been previously exercised

by the military authorities. Those powers were now vested in the commission headed by Mr. Taft.

On June 1 of the following year, 1901, the President extended to this commission executive powers to accompany the legislative powers which they possessed. These executive powers were developed by the creation in September, 1901, of executive departments, the heads of which are analogous to our Cabinet officers in the United States.

In October, 1901, the office of vice governor was created by Executive order. Up to this time all powers to be exercised in the name of the United States in the Philippine Islands had been bestowed by the President of the United States under his constitutional war powers. Now, however, in July, 1902, Congress passed what has been known as "the organic act of the Philippine Islands."

The chief purpose of this act was to make the first start in creating a legislative authority in the Philippine Islands in which the Philippine people should have some share and part. This act, as I have said, was passed in 1902, and under its authority occurred the census of the Philippine Islands from 1903 to 1905. After that census and after a lapse of two years, which the organic act required, the new Philippine Legislature was organized, a legislature consisting of two houses—an upper house, called "the commission," having nine members and being appointed by the President of the United States; and a lower house, called "the assembly," consisting of 81 members, and being elected for the first time in the history of the Philippine Islands by the Philippine people.

Thus matters stood in the Philippine Islands until the advent of the present administration. The commission, which was the upper house of the Philippine Legislature, was not only appointed by the President of the United States, but he had always placed upon that commission a majority of American citizens. When President Wilson came into power, however, he proceeded to carry out in spirit the policy of the Democratic Party, as well as the policy of the American people, as I think, by appointing a majority of Filipinos upon the commission; so that for the last two years the upper house of the Philippine Legislature as well as the lower house has been in the control of the Philippine people.

The effect of that change, the effect of giving to the Philippine people a majority of the upper house as well as of the lower house, was at once to do away with a great cause of friction, irritation, and disagreement which had existed for some time. For five years no appropriation bill had been passed, because the two houses were unable to agree upon one. For all that time the old appropriations had been continued automatically, but as soon as the Philippine people came into possession of their upper house the appropriation bills passed; and it is to the credit of the Philippine people, it is to the everlasting credit of the present Governor General of the Philippine Islands that the legislation of the Philippine Legislature during the last two years has been legislation in the direction of economy and progress.

I hope there will not come into this discussion any of the unfair, unjust, and unfounded criticism which has crept into the public press, directed against Gov. Gen. Harrison. I am prepared to meet it if it does; but it seems to me that it is unworthy of the American people and of public men to attempt to make political capital out of the administration of a great trust such as we have in the Philippine Islands.

Francis Burton Harrison, after an honorable service in the House of Representatives, went to the Philippine Islands to perform a difficult task. He went there to inaugurate to some extent a different policy, a modification of the old policy. He went there to put an end to the extravagance of administration in the Philippine Islands which had resulted in recent years in the accumulation of a large floating debt, and which was annually producing a growing deficit. He went there to displace to some extent Americans who were holding office in the Philippine Government, and to turn those positions over to the Filipinos themselves, under the solemn promises heretofore made to the Philippine people that that should be done. He went there to take his place in a government the legislative powers of which were to be wholly within the hands of the Philippine people. He has made a success. Under him and under the Philippine Legislature taxes have been reduced 18 per cent. The expenditures of 1914 compared with 1913 were reduced \$5,500,000, a peso being 50 cents.

In addition to this, it should be said that Gov. Gen. Harrison's administration has been handicapped by the same difficulties which have confronted our own Government and all the Governments of South and Central America growing out of the great war in Europe. The customs revenues in 1914, which is the last year for which I have figures, were cut down as the result of that war 1,707,000 pesos. Not only that, but the present

Philippine administration has had to struggle with the embarrassments growing out of the act of Congress which prohibited the Philippine Legislature from levying an export tax upon the products of the Philippine Islands. This provision in the last tariff bill passed by Congress was doubtless considered to be in the interests of the American people, but it has resulted in depriving the Philippine government of something like 2,000,000 pesos of annual revenue. In spite of that, in spite of these embarrassments, the Governor General, in the message which he delivered to the Third Philippine Legislature last October, used this language:

The two years through which this government has just passed have been a period of economy and reform. The headlong rush of the insular government toward bankruptcy has been effectually checked and by the exercise of the greatest patience and self-denial the legislative and executive officials of the government have succeeded in placing the treasury upon a sound basis. This year, for the first time since 1910, an actual cash balance will be found at the end of our annual operations.

Mr. GALLINGER. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from New Hampshire?

Mr. HITCHCOCK. I do.

Mr. GALLINGER. I am interested in the discussion of this question. I wish to ask the Senator from Nebraska where these great savings were made. If there was a loss of a million and a half pesos of revenue at the customhouse, and another loss of an equal amount by a change in the law regarding an import duty, as the Senator asserts, how did they happen to save \$5,000,000? How did they do it? Was there maladministration? Was there fraud in the former conduct of affairs in the Philippine Islands, or what other explanation can be given?

I ask the question in good faith, because I should like to know just how it was accomplished. It would seem to show that the Filipinos are better able to administer the affairs of their country than educated and intelligent Americans, which is inconceivable to me. I can not understand it.

Mr. HITCHCOCK. Mr. President, the inquiry is a fair one, and I wish I were in a position to answer it in detail, which, unfortunately, I am not. I have not that detailed knowledge of the affairs of the Philippine Islands which would make it possible for me to answer the question in detail.

Mr. SHAFROTH. Mr. President, I should like to say a word in relation to that matter, with the consent of the chairman of the committee. One of the principal savings that has been made in the Philippine Islands is through the reduction of salaries. Nearly every salary has been cut a considerable amount, a reduction of some \$2,000 or \$2,500 having been made in the salary of the Governor General himself. In addition, there has been—

Mr. HITCHCOCK. I think I can state to the Senator, as I recall it, that the large salaries have been reduced 20 per cent and the smaller salaries have been reduced 10 per cent. I think that covers it.

Mr. SHAFROTH. Does the Senator care to answer the inquiry further?

Mr. HITCHCOCK. I shall be very glad to yield to the Senator.

Mr. SHAFROTH. I will state that another very important matter of economy has been in the fact that heretofore a summer capital has been used by the officers during some three or four months of the year. The cost of transporting the large number of clerks—I think some 1,500—to Baguio from Manila constituted quite a considerable item, and there was great expenditure for the number of automobiles and things of that kind that were required to transport those people from Dagupan, which is a point on the railroad, to Baguio, which is the summer capital, and that has made a saving of no doubt many hundreds of thousands of dollars. Gov. Gen. Harrison has taken the position that under these conditions, the treasury not being in proper form so far as revenues are concerned, it would be better to omit that in many particulars. There have been some appropriations that have been passed over—that is, that were not considered as wise and proper to be made during the last two or three years.

Mr. BORAH. Mr. President, how much did I understand the Senator to say the discontinuance of transferring the clerks to this summer resort and back has saved the Government?

Mr. SHAFROTH. In the three years I should think it would be several hundred thousand dollars; perhaps two or three hundred thousand dollars.

Mr. BORAH. I am informed that it was about \$1,500.

Mr. SHAFROTH. Oh, no; it can not be. The cost for each individual fare alone is \$50, as I understand, from Manila to Baguio.

Mr. BORAH. Has the Senator the figures, so that they can be furnished?

Mr. SHAFROTH. No; I have not the figures. That was simply a general expression, that it was a large saving, and I have no doubt it was.

Mr. BORAH. I simply desired to get some degree of accuracy about it.

Mr. HITCHCOCK. I think perhaps I can give some details that will help in illustrating this point. For instance, in the matter of bureaus and officers, which would naturally constitute salaries to a large extent, the expenditures for 1914 were \$17,224,000, whereas in 1913 they were \$18,794,000, and in the previous year they were over \$20,000,000, showing an actual reduction in the cost of operating the government. There was some reduction in the amount expended for public works. There was some gain in the income from productive funds. And so, by a careful attention to the details of government, the Governor General, with the very active cooperation of the Philippine Legislature and the Philippine public men, has been able to achieve this saving of 18 per cent in the cost of the Philippine government.

Mr. GALLINGER. Mr. President, if the Senator will permit me—

Mr. HITCHCOCK. Yes, sir.

Mr. GALLINGER. I trust that the Senator, at his convenience, will elaborate this matter a little more and place the figures in the Record. It seems to me almost inconceivable that this saving should have been made legitimately when there was a large shrinkage in the receipts, as the Senator has set forth, from the repeal of the export law and from the revenue collected at the customhouse. The Senator from Colorado says that the salaries have all been cut. I presume that is so. I believe the Governor General gets now \$18,000 a year; does he not?

Mr. SHAFROTH. I understand it was reduced from \$20,500 to \$18,000.

Mr. GALLINGER. I think the amount in both cases is exorbitant. I think a further saving might be made there. It seems to me that all along the line there have been excessive salaries paid in the Philippine Islands.

I have no disposition at all to call in question the good conduct of the present Governor General of the Philippine Islands, and I trust that no imputation will be placed upon those who preceded him. I presume he has been exerting himself to administer the Government as economically as possible. As the Senator from Colorado sets forth, if they had a summer capital where they transported a couple of thousand clerks, more or less, back and forth, of course a great saving was effected when that was abandoned, and I think it ought to have been abandoned.

I thank the Senator for permitting me to ask the question I did, for the reason that on this question I want to get as exact information as possible, because I want to cast a vote that will be for the best interests of the people of the Philippine Islands, and at the same time I do not want to deny them any privileges or opportunities for advancement that they can claim; but before they are given practically control of their affairs I want to be sure that they are qualified to discharge the duties imposed on them.

The Senator from Colorado, as I remember, made a suggestion that there was a large saving made by holding up some appropriations for public improvements. I fear that in withholding those appropriations the building of roads has been halted in the islands, and I also fear that possibly economies have been made in other directions that may not be for the best interests of the people. I am in favor of legislation that will tend to elevate the Filipinos and fit them as speedily as possible for self-government, which point they certainly have not as yet reached. The people of the islands have made wonderful progress since they came under the jurisdiction of our Government, and I hope that the pending bill, if it shall become law, will not in any way hinder but rather advance that progress.

Mr. HITCHCOCK. Mr. President, I have made a mistake if I have conveyed to the Senate the impression that I desired to criticize the former administrations of the Philippine Islands. I do not. I was commending the Governor General for the heroic effort he had made in the direction of economy. He may have gone far; but rather than criticize the work which has been done in the Philippine Islands since the American occupation, I desire to glorify it.

Mr. CURTIS. Mr. President—

Mr. HITCHCOCK. The American occupation of the Philippine Islands is the finest example of an altruistic effort by a great country to bring the blessings of civilized government to a weak people. In all the history of the world there is nothing that approaches it. I am appealing to my Republican friends, not by way of criticizing what has gone in the past but for the

purpose of securing their support for this great step for the future; and I am going to show them by quotations from Republican public men that we owe it to the Philippine people to take the step proposed in this bill.

Why, Mr. President, when we think of the condition of the Philippine people 15 years ago, and look back over the great work that has been carried on for their elevation and their education and for fitting them for self-government, we may well be proud of it, regardless of what party we belong to.

Mr. CURTIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Kansas?

Mr. HITCHCOCK. One moment. To-day there are 500,000 Filipino children going to public schools, learning English, prosecuting the studies that will make them better citizens; 500,000 children whose minds are being trained, whose bodies are being improved, who are being taught the great advantages and the great opportunities that come from a higher standard of living. That work is creditable to the American people, and it is that work which this bill will continue and promote.

I now yield to the Senator from Kansas.

Mr. CURTIS. I simply wanted to ask whether a large amount of the saving referred to by the Senator has not been brought about by the discontinuance of the building of roads and other internal improvements that were engaged in to a very large extent up to two years ago?

Mr. HITCHCOCK. I will put the table in the Record in order that it may be seen, as far as I am able to show, just what the change was. There has been some reduction in public works in the Philippine Islands, just as there has been in the United States and everywhere in the world; but, in the main, the remarkable economies have been brought about, as they should be brought about in the United States, by reducing the cost of government without impairing its benefits.

Now, Mr. President, let me put in the Record some of the quotations upon which I rely to show to my Republican friends that this bill carries out, to the extent of one step at least, the solemn promises and pledges made by eminent Republicans in official places. I shall not read all of these, but I shall take the liberty of putting in the Record some which I will not take the time to read.

The VICE PRESIDENT. Without objection, that may be done.

Mr. HITCHCOCK. We all know what President McKinley said. At least we will readily recall it, I am sure; and he said it in different ways on several occasions. He said:

The Philippines are ours, not to exploit, but to develop, to civilize, to educate, to train in the science of self-government. This is the path of duty which we must follow or be recreant to a mighty trust committed to us.

In his instructions sent to one of the commissions created by him he said:

That in all cases the municipal officers who administer the local affairs of the people are to be selected by the people, and that wherever officers of more extended jurisdiction are to be selected in any way natives of the islands are to be preferred; and if they can be found competent and willing to perform the duties they are to receive the offices in preference to any others. It will be necessary to fill some offices for the present with Americans, which after a time may well be filled by natives of the islands.

Gov. Gen. Harrison has been carrying out that purpose and that policy. It has caused some friction there to relieve Americans who were upon the pay roll and give their positions to Filipinos, but it is carrying out the solemn promise made to the Philippine people by President McKinley.

President Taft, while civil governor of the Philippine Islands, said, in 1903:

From the beginning to the end of the State papers which were circulated in these islands as authoritative expressions of the Executive, the motto that "the Philippines are for the Filipinos," and that the Government of the United States is here for the purpose of preserving the "Philippines for the Filipinos," for their benefit, for their elevation, for their civilization, again and again and again appear.

A little later on Gov. Gen. Taft was attacked by American papers published in Manila, just as Gov. Gen. Harrison has been attacked, because, in the opinion of those editors, he was proceeding too far to extend self-government to the Filipino people. Here is what he replied:

Some of our young lions of the local press have spoken of the "childish slogan," "The Philippines for the Filipinos." It is unnecessary to comment on the adjective used, but it is sufficient to say that, whether childish or not, the principle makes up the web and the woof of the policy of the United States with respect to these islands, as it has been authoritatively declared by two Presidents of the United States—for President Roosevelt has followed sedulously the policy of President McKinley—and by the interpretation of the supreme popular will, the Congress of the United States.

He referred to the fact that the Congress of the United States, in passing the organic act, had indicated the same purpose, and

had declared that that act was only for the temporary government of the Philippine people.

Mr. Taft, then Governor General—or civil governor, as it was then called—in a quotation of which I shall read only a part, said:

The doctrine—

That is, "The Philippines for the Filipinos"—

Does not include, necessarily, the independence of the Filipinos nor any particular degree of autonomy. It is entirely consistent with the principle to object to an immediate extension of popular government on the ground that we are going too fast for the political digestion of the people, and that it is not, therefore, for their good. Whether an autonomy or independence or quasi-independence shall ultimately follow in these islands ought to depend solely on the question—

Now, what? What question is that to depend on? Is it to depend upon the will of politicians in the United States? Is it to depend even upon the welfare of the United States? No. Mr. Taft declared that—

Whether an autonomy or independence or quasi-independence shall ultimately follow in these islands ought to depend solely on the question, Is it best for the Philippine people and their welfare?

That is the question and that is the declaration that has been made to the Philippine people. It is one of many statements made to the people of the Philippine Islands officially by the representatives of the United States, and they have accepted it as the pledge of the American people.

He goes on, in the same statement, to say:

I think I have demonstrated by what I have quoted and the instances I have cited that the doctrine, "The Philippines for the Filipinos," is one which the honor of the United States requires it to enforce throughout those islands. Not only was it promised to the Filipinos when the Americans came, after they had been here, during the insurrection and at its close, but I do not think it too much to say that the reiteration of the promises as shown in legislation carrying out these principles had much to do with bringing about the present tranquillity in these islands.

Our pledge to those people had much to do with bringing about the tranquillity of the islands and leaving them to accept for the time being our sovereignty and control.

Mr. CUMMINS. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Iowa?

Mr. HITCHCOCK. I do.

Mr. CUMMINS. Does the Senator from Nebraska desire or is he willing to admit an interruption?

Mr. HITCHCOCK. Certainly.

Mr. CUMMINS. The point just made by the Senator from Nebraska is a very interesting one and, of course, refers to the preamble of the proposed legislation. Does the Senator from Nebraska believe that the preamble as it is reported to the Senate is a promise or assurance of ultimate independence?

Mr. HITCHCOCK. I think so, Mr. President.

Mr. CUMMINS. Allow me to suggest—and I am asking for information rather than otherwise, because I think there is no great difference of opinion between the Senator from Nebraska and myself—allow me to suggest that the test you propose is the permanent interest of the people of the Philippines as viewed by the Congress of the United States. Suppose that I as a Member of Congress am called upon to apply that test. Suppose that I believe it would be better for the people of the Philippine Islands to remain permanently attached to the United States as a State, with all the privileges of a State or otherwise, would I not fulfill the promise or assurance of the preamble in voting to retain the Philippine Islands as a part of the territory of the United States?

Mr. HITCHCOCK. I presume the Senator would.

Mr. CUMMINS. Then, is that a proper test? Is it not true that if we intend honestly, sincerely to prepare for the entire separation of the Philippine Islands from the United States, the test ought to be not what we may think is best for the interests of the people of that country, but are they at a given time able to establish and maintain a free and stable government?

Mr. HITCHCOCK. Would not that involve the question of their permanent welfare?

Mr. CUMMINS. No.

Mr. HITCHCOCK. Because if they are not able to do that certainly it would be detrimental to them.

Mr. CUMMINS. No; because—

Mr. HITCHCOCK. I will say to the Senator that this form of preamble is the result of a great deal of discussion, and it is the result of an effort to avoid putting into the preamble anything which would seem to offend the feelings of the Philippine people to imply that they are not now fitted for self-government. It is, perhaps, not so strong a statement as was put in the preamble as reported by the committee at the last Congress, but it is a form which is acceptable to the Philippine Legislature; it is acceptable to the Filipino leaders; it is acceptable to the Philippine people, so far as we know. They are willing to

trust the judgment of the United States to give them their independence when it is to the interests of the islands to have it. They have received up to this time nothing but the most beneficent treatment from the United States, and the feeling toward the United States is of the very best. We have over there a handful of men, ten or twelve thousand, and 5,000 constabulary, and perfect peace prevails in that great archipelago of several thousand islands and 8,000,000 people. It is as safe to travel from one end of the archipelago to the other as it is to cross the State of Iowa. There is less crime in those islands than in many civilized portions of the world, and the conditions there—the feeling toward the American people, toward the United States—is such that at this time this form of preamble will be accepted by them as a fulfillment of our past pledge. It is an official statement of the people of the United States in Congress assembled.

Mr. CUMMINS. Mr. President, I am very happy to know that the promise we give in this preamble is satisfactory to the people of the Philippines. Just how the consensus of opinion among the Philippine people has been taken I have not been advised; but I assert with a good deal of clearness in my own mind that this preamble changes radically the promise that has heretofore been made to the people of the Philippine Islands and to the people of the United States. It must not be assumed from anything I have said that I favor the retention of the Philippines as a part of the permanent territory of the United States. I do not; but I am unwilling to transform that vague but really well-understood promise that whenever the Philippine people were able to maintain a stable government of any kind, no matter whether it was our kind or not, we would give them the opportunity to do it.

Now, by this preamble there is presented to me and to every Member of Congress the question, whether I believe that the Philippine people would be better off, whether their welfare would be promoted, whether they would grow rich more rapidly, be better governed, as a part of the United States or as an independent State or country. I think we are doing a grave injustice to the history of the relations established between the United States and the Philippines to now change the understanding by the use of this language.

Mr. SHAFROTH. I should like to make a statement to the Senator from Iowa, if the chairman of the committee will yield.

Mr. HITCHCOCK. I yield.

Mr. SHAFROTH. I will state to the Senator from Iowa that this preamble to the bill is very largely a compromise among members of the committee. I favored and preferred the House provision, which was that we were to give the Filipinos independence when they established a stable form of government; but objection was raised that a stable form of government exists there now, and that such a declaration would mean nothing. There developed considerable difference of opinion as to the best language to be used, and we concluded the phraseology adopted in the bill as reported at the last session of Congress was the proper provision. The Philippine people are very sensitive about the words "fit for self-government." They are a very highly educated class of people, and are ably represented in the legislature, which is called the General Assembly of the Philippine Islands. They do not like the words "fit for self-government," because they feel that they are fit now. The result was that as a compromise we fixed upon the provision as it is now. I look upon it, just as I have no doubt the Filipinos regard it, as carrying out in good faith the intention of the Government of the United States, that when the time comes the United States will not resort to subterfuges and will not attempt to evade that which is clearly the intention of the Congress to carry out if this preamble should be passed.

I want to say to the Senator from Iowa that the Legislature or General Assembly of the Philippine Islands last February passed a resolution or memorial to the Congress of the United States thanking the House of Representatives for the passage of the Jones bill, which provided for the establishment of a government as soon as a stable government could be maintained, and they urged the Senate and the President to use their best efforts to get that bill through.

These various changes are changes which have been suggested by Members. I do not know that we are bound as a committee to stand by whatever statement is found there if some other form should prove to be more satisfactory; and I believe, of course, the Congress of the United States would adopt it. It is something of a definite nature, and for that reason I should like to see it in the bill.

Mr. CUMMINS. Mr. President, just one word. I rather sympathize with the suggestion that the words "fit for self-government" ought not to be used and would be something of a disparagement, but there are a great many other problems con-

nected with the government of the Philippine Islands that do not relate to the fitness of a portion of the population to exercise all the privileges of free government. I am not captious about words; I am not critical about forms of expression; but the bill that was reported by the committee at the last session, while I think I could have expressed it more agreeably to the people of the Philippine Islands, meant something to me and did contain an assurance or promise that under certain conditions the separation should take place. This language means to me that so long as the Congress of the United States believes that we can govern the Philippine Islands better than the people themselves can govern them no separation shall take place.

Mr. SHAFROTH. Let me suggest to the Senator from Iowa that the preamble as reported in the Senate at the last session of Congress left the determination as to when they should be fitted for self-government to the discretion of the American Congress, and that being the case, if Congress were to attempt by some subterfuge to evade the promise of independence you can very readily see that they would be in the same position they are in now. The Philippine people are desirous that the word "independence" should be in an act of Congress. They have had it time and again, as the Senator from Nebraska has said, in the expressions of the Governor General and in the expressions of Presidents of the United States, but they have never had the word "independence" by an act of Congress; and they want that word there for the moral influence it will have in turning the government over to them.

Mr. CUMMINS. But the Senator from Colorado does not address himself at all to the point I have been considering. I think the word "independence" ought unquestionably to be in the preamble if we have any preamble. My inquiry related to the standard, the guide that hereafter should determine what the American Congress shall do. If the question is presented to me, for instance, Are the people of the Philippine Islands prepared to establish and maintain a free and independent government? as an honest man I would answer the question yes or no, according to the fact, no matter what the interest of the people of the United States might be. But if the question were submitted to me, Is it for the best interests of the people of the Philippine Islands that they separate themselves from the American Nation? I must answer that question honestly, and it might be answered, it would not be for the best interests of the people of the Philippine Islands to separate themselves from the American Nation, even though I could affirm that it was within the probabilities that the country there would establish and maintain a free and stable government. I might believe that their prosperity and welfare would be better served as a State of the American Nation than as an independent country. That is the difference between the standard proposed heretofore and the rule proposed now, for if this preamble is adopted I do not believe that it contains any promise or any assurance of ultimate independence.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. HITCHCOCK. I do.

Mr. BORAH. I wish to ask the Senator from Iowa if he has formed any opinion as to how long it will take the Philippine people to acquire that capacity for self-government which would warrant the United States in giving over to them independence?

Mr. CUMMINS. I have not, Mr. President. I express no opinion upon it. If I were preparing a measure of this sort, there would be no preamble in it; but if we had to have a preamble, if, as the chairman of the committee has said, the time has come for the people of the United States to give an assurance of ultimate independence, then I want the test or the standard which is to determine the question, so that it may be in compliance with the assurance, for, I repeat, I do not look upon this preamble as containing any assurance whatever of ultimate independence.

Mr. BORAH. In that respect I approve of the preamble. When you take into consideration that the preamble does seem to warrant the conclusion that they are not to have independence until they are fitted for self-government, then the proposition is presented to us, How long will it likely be until these people in the course of things are fitted for self-government? It is scarcely worth while quarreling over their independence perhaps a hundred years in advance of their capacity to exercise it.

Mr. STONE. Before the Senator from Nebraska answers that question I should like to be clear as to the meaning of the Senator from Idaho. Is it the position of the Senator that he is unwilling at any time to grant political independence to the Philippine people?

Mr. BORAH. Oh, no; but I am unwilling, since our sovereignty has been fortunately or unfortunately set over those

people, to be talking about independence with that insincerity furrowed upon the face of it, which indicates that we have no disposition ourselves to carry it out, and we have no power to impose the duty upon our successors to carry it out.

Mr. STONE. With that expression I am very much in sympathy, but I should like to follow it by asking the Senator, in order to make us entirely sincere in our treatment of the Philippines, what would the honorable Senator from Idaho suggest as to the time within which we should take our hands off?

Mr. BORAH. Mr. President, the Anglo-Saxon people had a schooling of about 1,000 years in self-government. After some of them landed upon this continent, they had about 200 or 300 years more, and, in my judgment, they were not fitted for self-government a day before the Declaration of Independence was written.

Mr. STONE. Then the Senator would postpone it for about 1,300 years?

Mr. BORAH. I would not postpone it at all. I would not talk about a thing which is manifestly insincere in itself. I would not promise the Philippine people a thing which we do not give them any assurance of carrying out, and we know we can not impose upon our successors the obligation to carry it out. I would above all things deal with them sincerely and promise nothing that it was not within our intention and our power to fulfill.

Mr. SHAFROTH. Would the Senator be willing to insert in the bill a provision that they should have independence after a given number of years?

Mr. BORAH. No, sir.

Mr. SHAFROTH. He would not?

Mr. BORAH. I would say this to the Philippine people, that we will give you all the training in self-government from time to time and from year to year and decade to decade that it is possible for you to enjoy, and after you have been sufficiently trained in the duties of self-government to enjoy independence we will then take up with you the question of independence. I would urge upon them to fit themselves by the exercise of the duties of local self-government and I would direct their attention now exclusively to preparation.

Mr. SHAFROTH. That is leaving it entirely with us for determination as to when that time will come and without indicating we will ever give them independence.

Mr. BORAH. Let me read to you from one whom the Senator from Colorado will accept without any question, and whose philosophy I accept in this matter without any hesitancy. I read from an article written by Woodrow Wilson in 1901, and I think it states the true position upon the Philippine question; I read it because I think it sound doctrine and not for criticism.

In China, of course, our part will be indirect, but in the Philippines it will be direct; and there in particular must the moral of our policy be set up and vindicated.

This we shall do, not by giving them out of hand our codes of political morality or our methods of political action, the generous gifts of complete individual liberty or the full-fledged institutions of American self-government—a purple garment for their nakedness—for these things are not blessings, but a curse, to undeveloped peoples, still in the childhood of their political growth; but by giving them, in the spirit of service, a government and rule which shall moralize them by being itself moral, elevate and steady them by being itself pure and steadfast, inducting them into the rudiments of justice and freedom. In other words, it is the aid of our character they need, and not the premature aid of our institutions. Our institutions must come after the ground of character and habit has been made ready for them; as effect, not cause, in the order of political growth.

The President, in discussing this same question as to how long it takes a people to acquire the capacity for self-government, refers to the fact that the Anglo-Saxon race were a thousand years in acquiring this capacity, and then he adds, notwithstanding, he says, that the nineteenth century has been a century of democracy:

It is no longer possible to mistake the reaction against democracy. The nineteenth century was, above all others, a century of democracy, and yet the world is no more convinced of the benefits of democracy as a form of government at its end than it was at the beginning.

The sum logic of this article, which, if the spirit of it was put into this bill, in my judgment, there would be very little opposition to it, is that the first thing to do is to train these people in character, in intelligence, in capacity, in initiative, to spread the spirit of self-government among them, language, and solidarity, and unity of spirit, and then talk to them about independence.

I assert, Mr. President, that it is an act of insincerity to the Philippine people to talk to them about independence years and years in advance of their capacity to enjoy it. We know that this Congress is not going to give it to them; we have no intention of giving it to them; and we can not impose upon our successors the obligation to give it to them. There is one

thing we can do, we ourselves, this Congress, we can widen their duties, enlarge their functions in government; we can extend the circumference of governmental action, and thus train them more and more for independence. But it will be a long time before they have learned the lesson.

Mr. SHAFROTH. In answer to the Senator from Idaho, I will say that while history shows we have evolved our principles of self-government not without a great deal of struggle and long and trying experience, yet we know that there are republics on this continent, like Argentina, Brazil, Chile, and others, that are dedicated to the loftiest ideals of liberty and freedom. Shall we say that Argentina is not capable of self-government? We find that Chile is a self-governing Republic. Shall we say that it is not capable because it did not have the thousand years of struggle and experience that we had? Can it be said that Brazil is not capable of self-government because it had not experience similar to ours?

Mr. President, the Philippine people have been under a government for 300 years. Nine-tenths of the Philippine people are Christians. They have always maintained a creditable system of education. We know that there were 2,000 public schools in the Philippine Islands before the American occupation, and the Senator from Nebraska has told you of the spread of education since that time and that there are now 500,000 pupils attending the public schools in the islands.

I want to say to the Senator that it is not the illiterate people who control in government. They are not the ones who are elected to pass upon legislative matters. The very best men, those of highest education, are elected by the Filipinos for membership in their legislature, which consists of 81 members. Of those 81 members, every single one is a graduate of a college or university. Can you point to such a record as that anywhere in the wide world? In the States men may criticize the Philippine government, but you will find that in your own State legislatures you have not more than about 30 per cent of college graduates; and it seems to me it comes with poor taste, with such a showing, to say that the Filipinos are not capable, that they are not amply able to maintain government and to establish government.

Mr. BORAH. Mr. President, there is no doubt that the Philippine Islands have a class who are fit for government. It is precisely against that condition of affairs that my mind is directed. Mexico has had a class fit for government for 300 years. She has had a class that has ruled Mexico for 300 years under the name of a Republic, but it is as absolute a despotism as ever existed on the face of the earth. It has now been nearly a century since they seriously began to move toward real democracy. They are no nearer a successful free government or Republic at the end of a hundred years than they were at the time the statesman priest called them together for that purpose. Still, they have an intelligent class—a very intelligent class—of people among them. But this intelligent class, considering themselves a class, have always exploited and oppressed the masses, the common people of Mexico.

Mr. SHAFROTH. Mr. President, why does the Senator—
Mr. HITCHCOCK. I ask the Senator to be as brief as possible.

Mr. SHAFROTH. I will. Why does the Senator from Idaho refer to another country, one of the Latin American Republics that has no similarity of character or of race with the Filipinos, and argue that because they have not shown themselves capable of self-government therefore the Filipino race is incapable of self-government?

Mr. BORAH. I refer to Mexico for the reason that the same class of explorers and exploiters discovered Mexico and reduced it to subjection that discovered the Philippine Islands and reduced them to subjection about the same time, 300 years ago. The same Government, the same master, has been over the Philippine people that was over the Mexican people. The same Spanish Government, the same succession of heartless rulers.

It is no easy task to lift these people into that region of self-confidence and character which will enable them to step from under the customs and habits of three centuries and into the atmosphere and faith of men who know what free institutions are and how to enjoy and preserve them. A few men in the Philippines might be found who would meet the requirements, but I am speaking of the great majority of the people—the masses.

Mr. SHAFROTH. Mr. President, it is not a question as to who has ruled; it is the question of the people that are ruled. When we find that the Mexicans are composed of about 80 per cent Indians, it can readily be seen why a warlike and revolutionary disposition would exist there.

Mr. BORAH. Why, Mr. President, at the time the Spanish people took possession of Mexico Mexico had a civilization

which was then in advance of any civilization which characterized the Filipinos even at the time the Americans took possession of those islands, a little over 15 years ago. The advancement in mechanics, in the arts, in poetry, in literature, in building, and in everything else in Mexico was in advance of the Philippine people in 1900 and 1901.

Mr. SHAFROTH. Oh, Mr. President, it seems to me that is a statement that can not be borne out by the facts.

Mr. BORAH. I will present the Senator the story of the "Conquest of Mexico," by Mr. Prescott.

Mr. SHAFROTH. I have read the "Conquest of Mexico," by Mr. Prescott, and I say that when the Americans took possession of the Philippines they found there a condition that was much better than has ever existed in the Republic of Mexico. We found that there had been more of education in the Philippines. The Filipinos are not of the same temperament as are the people of Mexico. They are of a submissive character; they are not revolutionary in their tendencies; consequently they are more capable of maintaining government.

Mr. KENYON. Mr. President, may I ask the Senator from Idaho a question?

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Iowa?

Mr. BORAH. Certainly.

Mr. KENYON. Is the Senator really serious when he says that in his judgment we never intend to give independence to the people of the Philippines?

Mr. BORAH. I have not said anything of that kind.

Mr. KENYON. I understood the Senator to say that we never intended to do it. I think the Record will show that.

Mr. BORAH. No; what I said was that we here, this Congress, has no intention of doing so; and this bill shows it. If anything is clear from this preamble it is that this Congress does not propose independence or even propose a definite time for independence.

Mr. KENYON. But the Senator does contend that this Nation does not so intend?

Mr. BORAH. I do not know what the Nation intends to do, but I think it extremely wise that we legislate ourselves—do what we can do. I do not know whether our successors will do it or not, but I know that the disposition of the Anglo-Saxon race is not to let anything loose it has gotten hold of; I know that, instead of releasing territory, with a single exception, we have for the last hundred years been reaching out and seizing territory. I know that we went to war with Mexico solely for the purpose of getting territory; that we went to war with Spain for humanitarian reasons, and came back with a large slice of territory. I know that we got the Philippines. I do not know whether or not we are going to give them up. I would not want to give any promises upon the part of my successors, but I do know that we ought not to say to those people a thing concerning a matter so important as that of their independence, which, upon the face of it, carries the inference that it is not to be performed within the lifetime of this Congress or of the people who are sitting in this Congress. I do not want to practice duplicity with a dependent people. What we are willing to do and can do let us do, but in the name of our honor let us not use these vague, indefinite, and manifestly insincere expressions which really mean nothing.

Mr. KENYON. The Senator does not believe, does he, that this Government should impose a government upon another people and continue so to do, except out of the exigencies of the occasion, without the consent of the governed?

Mr. BORAH. Oh, no; not without "the exigencies of the occasion"; but who knows what the exigencies of the occasion will be. When the time comes to give them independence they may be like the people of Texas when they seceded from Mexico. They may say, "We infinitely prefer to be under the flag of the United States; we infinitely prefer to be a part of the great Republic of the United States." It may be, as the English language comes more and more to be spoken in the Philippines and they come more and more to be acquainted with our form of government and the fact that they are protected against the other nations of the earth, that they will desire to remain with us. I think if the time ever comes when the people of the Philippines are indeed capable of self-government, and they still desire to be free and independent, the United States will give them their freedom. I hope it will. But I want them to be prepared for independence, so that the common people, the submerged 80 per cent, will have some capacity to take care of themselves.

Mr. KENYON. In view of our Declaration of Independence, if its principles were to be applied, does the Senator think we could impose a government upon those people against their consent?

Mr. BORAH. Well, assuming that when the time comes, it is against their consent, there is something in that; we can not do it; but does the Senator think the Philippine people are now fit for self-government?

Mr. KENYON. I do not.

Mr. BORAH. How long does the Senator think it will be before they will be so fitted?

Mr. KENYON. I think they will be so fitted in the course of 10 or 12 years. As has been shown here, their children are in the schools to the number of 500,000. There has a race of educated people come up there in the last two or three years to some extent, but just when those people will be qualified for self-government would be a problematic question now in view of the highly civilized nations of the earth killing each other off. The Filipinos have been peaceful; they are a law-abiding people. I do not believe they are now fit for self-government, nor do I know when they will be; but I do believe that they have been led to believe, whether intentionally or not, upon the part of those who have governed them, that they are to have independence. Having been led so to believe, it seems to me rather hypocritical now, when they desire some statement of that kind, not to say so to them. I would be glad to say so frankly in any other form of preamble that could be drawn.

Mr. BORAH. Well, Mr. President, the hypocrisy of this situation consists in talking to these people about a very dear right, but a right which we are not willing to give now and which we are not willing to promise them at any definite time in the future, and a right which we can not assure them that our successors will give them. Hypocrisy consists in glittering generalities which mean nothing.

Mr. HITCHCOCK. Mr. President, I should like briefly to continue my remarks. There is a little danger of my losing the floor and the thread of my argument. I wondered if it would be possible that this discussion could be concluded without some quotation from Woodrow Wilson by the Senator from Idaho [Mr. BORAH]. I only wish he would follow the practical suggestions of Woodrow Wilson with the same persistency that he adopts and publishes the academic discussions of Woodrow Wilson.

Mr. BORAH. Does the Senator from Nebraska think that if the Senator from Idaho follows pretty religiously and undertakes to live up to that which the President taught in his books for 30 years, he is obliged to change his course because the President has changed his?

Mr. HITCHCOCK. No. The Senator from Nebraska only regrets that the Senator from Idaho limits his adoption of Woodrow Wilson's views to academic discussions, and that he is never apparently willing to accept his practical political suggestions.

Mr. BORAH. The Senator from Nebraska has got me right exactly.

Mr. HITCHCOCK. Now, concluding these quotations from representative Republicans, Mr. President, without quoting Roosevelt, who is interesting, let me again quote Mr. Taft, who is qualified to speak, who did speak, and who spoke directly to the Philippine people. I put these quotations in at this time for the reason that the Senator from Idaho has raised the question whether we ought to make this promise to the Philippine people. He raises the question too late. We have already made that promise to the Philippine people. We have made it from the mouth of our accredited representatives in the Philippine Islands; we have made it from reports by the Secretary of War, who is charged with jurisdiction over the Philippine Islands; we have made it in the messages of two Presidents of the United States; and while there may be Americans who are not familiar with those statements, those statements are well known in the Philippine Islands; the Philippine people have acted on them, have accepted them, and from President Taft himself we have the assurance that those statements have led the Philippine people to accept with docility and with confidence the statements of the American Government. It is those statements which have secured tranquility in the islands. Now that this issue has been raised in Congress, it would inevitably be a subject for doubt, and possibly disorder, in the islands if those solemn statements made by American officials to the Philippine people should be repudiated by the American Congress.

I listen to what Mr. Taft, in opening the Philippine Assembly on the 10th of October, 1907, said:

The avowed policy of the national administration under these two Presidents has been and is to govern the islands, having regard to the interests and welfare of the Philippine people, and by the spread of general primary and industrial education and by practice in partial political control to fit the people themselves to maintain a stable and well-ordered government affording equality of right and opportunity to all citizens. The policy looks to the improvement of the people both industrially and in self-governing capacity. As this policy of extending

control continues, it must logically reduce and finally end the sovereignty of the United States in the islands.

This is a statement made by the Governor General to the Philippine Assembly. He qualifies it. Let me give the qualification so that there may be no question of an inaccurate quotation:

End the sovereignty of the United States in the islands, unless it shall seem wise for the American and the Philippine peoples on account of mutually beneficial trade relations and possible advantage to the islands in their foreign relation that the bond shall not be completely severed.

The Senator from Iowa some time ago asked me whether I believed that this preamble contained a pledge of independence, and I answered him that I did so believe; but I do not think that it inevitably closes the door to some future arrangement that may be mutually made between the American Government and the Philippine people in case they find, as they become more advanced, that they need the protecting friendship of the United States. They may never ask of the United States and never desire from the United States complete independence. Some of their most eminent men will, if consulted on this subject, now say that in the lapse of time it may turn out that the foreign relations of the Philippine Islands can be better managed through the United States than by the Philippine people themselves. That is for the future to decide; but for the present let us make good the promise solemnly given by our Presidents and by our Governors General in the Philippine Islands.

Mr. CUMMINS. Mr. President—

Mr. HITCHCOCK. Now, let me give, if the Senator will permit me, another quotation from Mr. Taft—and this is from a special report made by Secretary Taft, as Secretary of War, I suppose, on the Philippines and their political future. He says:

The conditions in the islands to-day vindicate and justify that policy. It necessarily involves in its ultimate conclusion as the steps toward self-government become greater and greater the ultimate independence of the islands.

I now yield to the Senator from Iowa.

Mr. CUMMINS. Mr. President, does the Senator from Nebraska really think that the preamble of the bill embodies the promise or assurance given by Mr. Taft in the extract which he has just read?

Mr. HITCHCOCK. When we come to the discussion of the preamble of the bill I shall be very glad to enter into it with the Senator, and I think there will be then revealed to him difficulties and objections to other forms, which are obviated in this particular form.

I am gratified to find that the Senator from Iowa, rather than objecting to the preamble because it goes too far, merely takes the position that it does not go far enough. We have endeavored to be conservative here; we have endeavored in this preamble to be as conservative as we can, consistent with satisfying the people of the Philippine Islands that we are keeping our pledge.

Mr. CUMMINS. I do not think there ought to be any preamble at all. Although I do believe that we are in honor bound to carry out the policy that has been so frequently declared, I think it ought not to be in the preamble to the bill; but my objection to the preamble is that it does not go in the same direction with the promises that have heretofore been made. It establishes an entirely different policy and prescribes a wholly different standard, and I, for one, am not willing to participate in the change which this preamble creates in the attitude of the United States toward the Philippine Islands.

Mr. HITCHCOCK. Well, Mr. President, as I have said, that is a matter which I shall be glad to discuss when we reach the preamble. I presume it will be the last matter taken up.

In conclusion, I want briefly to call the attention of the Senate to the gist of this bill. It is not a revolutionary bill. The legislative features of this bill enlarge the degree of local self-government in a very natural but a very moderate way, and it is chiefly in enlarging the legislative independence of the Philippine government that this bill acts. At the present time the legislature in the Philippines consists of the commission, of 9 members appointed by the President of the United States, and of the Assembly, which is a body of 81 members elected by the Philippine people in 81 districts. The bill now before the Senate proposes to create the Philippine Legislature, which shall be composed of an upper body of 24 members, 22 of whom shall be elected by the people in 12 districts and 2 of whom shall be appointed by the Governor General to represent the interests of the non-Christian tribes in the Philippine Senate. The lower house of the Philippine Legislature is to consist of a body of 90 members, 81 to be elected in the 81 legislative districts, as heretofore, by the Philippine people, and 9 to be selected by the Governor General to represent the interests of the non-Christian tribes. To this legislature are given general legislative powers.

The members of the commission heretofore have had both legislative and executive powers, and so has the Governor General; but hereafter the Governor General is to be an independent executive, holding a position similar to that of the governor of a State. He is to have the power of veto. His veto may be overridden by a two-thirds vote of the legislature in each house; but, if so overridden, the bill is still subject to the absolute veto of the President of the United States. The Governor General is to have the power of appointment of most of the Philippine officials. His power of appointment is subject to the right of the Senate to confirm.

The bill as reported by the committee injects certain safeguards for the benefit of the stability and further progress of government in the Philippine Islands. It provides that some of the public officials in the Philippine Islands shall still be appointed by the President of the United States, in order that their duties for a time may continue to be performed by Americans appointed by the President. It provides, for instance, that the vice governor shall be appointed by the President of the United States and shall have control over the department of public instruction, that being of such vast interest to the Philippine people and there being such important needs that American standards shall continue in the wonderful development of the educational work now going on there. It provides that sanitation shall still be in the hands of this department; it provides that health shall still be in the control of this department; it provides that the non-Christian tribes shall still be under the jurisdiction of this department.

The bill also provides that the auditor for the Philippine Islands shall be appointed by the President of the United States, and, to some extent, therefore, shall be an independent official and shall audit the accounts of the various departments of the government of the islands, the Philippine Government, the provincial governments, and the municipal governments.

While the powers of legislation generally are bestowed upon the Philippine Legislature, there are certain restrictions upon those powers. The Philippine Legislature can not legislate on subjects of immigration without the approval of the President of the United States; it can not legislate upon the subject of coinage without the specific approval of the President of the United States; it can not legislate upon the subject of the public domain, as affecting the alienation of the public domain, without the approval of the President of the United States. One or two other exceptions there may be, but except for these the whole power of legislation is given to the legislature; and that is the gist of this bill.

The creation of this legislature, the separation of the governor general from the legislative function, giving the veto power, the power of appointment, and the retaining of certain powers still in the hands of American appointees of the President—these, in short, are the provisions of this bill. It is a simple measure; it takes a step toward carrying out the solemn pledge of the Democratic Party in national convention; it takes a step toward carrying out the very definite pledges heretofore made by President Roosevelt, President McKinley, President Taft, Secretary Taft, Gov. Gen. Taft, and every other public official who has had to do with Philippine affairs.

Mr. STONE. Mr. President, I should like to ask the Senator—and I will do so in just a few words—to tell me to what extent and in what way the Filipinos are granted privileges and liberties of self-government beyond those they now possess? What advance will be made under this bill over the present status?

Mr. HITCHCOCK. The chief thing, as I have stated, is that the upper house, instead of being appointed by the President and subject to his control, becomes elective, like the lower house. That is the most important change that is made. It gives to the Philippine people the control of legislation, subject to the veto power or to the qualified veto power of the governor, subject to the veto of the President of the United States, and subject to certain restrictions in a few excepted cases. This bill, for the rest, is merely a reenactment of the organic act, a reenactment of existing law, a continuation of existing conditions.

For many years the municipal governments have been completely in the hands of the Philippine people. The provincial governments have been practically in the hands of the Philippine people, subject to the auditing power of the auditor appointed by the President of the United States, and that is to continue for the purpose of maintaining American standards in the administration of financial matters.

Mr. THOMAS. Mr. President—

Mr. HITCHCOCK. I yield to the Senator.

Mr. THOMAS. I should like to ask the Senator in what manner, if at all, this proposed measure affects the judicial department of the Philippines as now constituted?

Mr. HITCHCOCK. That is a matter to which I should have referred. As it is now, the President of the United States appoints the judges of the Supreme Court of the Philippine Islands, and I think the Governor General appoints the judges of the courts of first instance. Under this bill the same plan is continued. At the present time a majority of the Supreme Court of the Philippine Islands consists of Americans, and a minority, by a narrow margin, consists of Filipinos, and upon that court they have, I am told, some able lawyers.

Mr. BRANDEGEE. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Connecticut?

Mr. HITCHCOCK. I yield.

Mr. BRANDEGEE. Mr. President, I heard the Senator make some quotation from an address by ex-President Taft, either when he was Secretary of War or when he was Governor General of the Philippines, in substance to the effect that in course of time the sovereignty of the United States might come to an end, so far as the Philippine Islands are concerned. Did ex-President Taft testify before the Philippine Committee as to this bill?

Mr. HITCHCOCK. He did; yes.

Mr. BRANDEGEE. Well, my recollection was, though I am not positive about it—and I ask the Senator for information—that he did not favor before the committee any reference to the independence of the Philippines in this bill. Is that correct?

Mr. HITCHCOCK. Well, that was a good while ago; and I must confess—

Mr. BRANDEGEE. I think it was a year or two ago. I happened to be in the committee room at the time, and my strong impression is that he thought any statement in this bill now relating to ultimate independence of the Philippines very inadvisable; that it would excite hopes that would not be realized, perhaps, and would tend rather not to order but to disorder. Does the Senator remember anything of that kind in the testimony of ex-President Taft?

Mr. HITCHCOCK. I am unable to recall exactly; and I must confess that I have paid much less attention to advice which President Taft has given in recent years, since he has been disconnected with the Philippine question, than I have paid to these solemn official statements which he made while in the Philippine Islands, occupying a position of authority, and, as far as the Filipinos were concerned, representing the people of the United States.

Mr. BRANDEGEE. I know; but does not the Senator really remember that ex-President Taft did give utterance to some such statement as that?

Mr. HITCHCOCK. I must confess that I do not recall it exactly. I think I sent the Senator a copy of the proceedings.

Mr. BRANDEGEE. It may be so. They are printed, are they?

Mr. HITCHCOCK. Oh, yes; they are printed, and I think the Senator has a copy upon his shelf.

Mr. BRANDEGEE. It is on the shelf if I have one.

Mr. POINDEXTER. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Washington?

Mr. HITCHCOCK. I do.

Mr. POINDEXTER. The Senator has referred to the statement which he read from ex-President Taft as an official statement. Does the Senator, upon reflection, have the opinion that that declaration of the Governor General was an official act?

Mr. HITCHCOCK. I do.

Mr. CURTIS. Mr. President—

Mr. POINDEXTER. Just a moment. It seems to me that the Senator will change his view if he will consider the authority with which the Governor General was vested and which was limited. He had no official authority to promise ultimate independence to the Philippines; and, having no authority, his declaration could not possibly have been anything more than the expression of an individual opinion.

I am not familiar with the testimony of Mr. Taft before the committee, but from what was indicated here in the colloquy a moment ago I apprehend that his objection to placing such a declaration as that in this bill would be based upon that very point, that he objected to an official declaration. There is no objection to anybody expressing his individual view, but Mr. Taft could not have bound the Government of the United States at that time, to say nothing of binding it at some time in the future, by any official utterance as to what action they would take in this connection.

Mr. CURTIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Kansas?

Mr. HITCHCOCK. I do.

Mr. CURTIS. I understood the Senator to give the date upon which that speech was delivered as 1907. Mr. Taft was then Secretary of War and had not been the Governor General of the islands for some three years, I think.

Mr. HITCHCOCK. I am reading from the testimony of the Secretary of War before the Philippine Committee; and the language which he uses is as follows:

In opening the Philippine Assembly on the 16th of October, 1907, Mr. Taft, then Secretary of War, said—

And so on. Now, he may have been over there at that time—
Mr. CURTIS. He went over for the purpose of opening that session. He was then Secretary of War.

Mr. HITCHCOCK. That was my impression; so that he really represented officially the President and people of the United States. It seems to me a statement which the Philippine people might have accepted as a conclusive, binding promise from the country which sent him over there.

Mr. POINDEXTER. That was the great mistake, Mr. President, in making such a declaration—if any such declaration was made—the very fact that they would be inclined to accept it as a binding promise, when it could not have had that nature. It could not have bound anybody at all. Mr. Taft was there, I judge from what has been said, in the capacity of a distinguished visitor from this country to the Philippine Islands, not commissioned to make any declaration to them as to the relations between the United States and the Philippines.

Mr. HITCHCOCK. I think the Senator would hardly make the statement that he was there merely as a distinguished visitor, because the organic act specifically places the administration of affairs in the Philippine Islands under the Secretary of War and gives him a veto power over acts of their legislature; so that he was there in an official capacity, as the supreme executive officer, as far as the Philippine people were concerned.

Mr. POINDEXTER. Well, certainly the Senator would not claim that that gave him the right to declare that they should have their independence at some future time.

Mr. HITCHCOCK. There is no legal contract, of course; but I should say that when Secretary Taft said that thing he expressed what was the generally accepted view in the United States; and the people of the Philippine Islands have heard from the United States officially nothing but promises and assurances of that sort. It is to make those assurances concrete and specific and to preserve and continue the peace of the Philippine Islands that this preamble is introduced into this bill.

Mr. KENYON. Mr. President—

Mr. STONE. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Iowa?

Mr. HITCHCOCK. I think the Senator from Missouri had the floor first.

The VICE PRESIDENT. A Senator gets the floor from the Chair. Does the Senator from Nebraska yield to the Senator from Iowa?

Mr. HITCHCOCK. I yield.

Mr. KENYON. I wanted to call attention to the record, in view of the suggestion of the Senator from Connecticut [Mr. BRANDEGEE]. On pages 397 and 398 of the record before the committee is the testimony of ex-President Taft, in which he does state that he is opposed to making any promise at all in the preamble, because it would be misunderstood. Then a colloquy follows, on page 398 of that record, in which he expresses himself very clearly against that preamble.

The VICE PRESIDENT. Now does the Senator from Nebraska yield to the Senator from Missouri?

Mr. HITCHCOCK. I do.

Mr. STONE. I desire to ask if the Senator would not be willing to suspend at this time, so that we may have an executive session and be able to adjourn at 5 o'clock.

Mr. HITCHCOCK. I shall be very glad to do so. I have substantially finished. I ask unanimous consent that the bill may be temporarily laid aside.

The VICE PRESIDENT. It goes over as the unfinished business if the Senate goes into executive session now.

Mr. HITCHCOCK. I understand we are going into executive session.

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 45 minutes p. m.) the Senate adjourned until to-morrow, Friday, January 7, 1916, at 12 o'clock meridian.

CONFIRMATIONS.

Executive nominations confirmed by the Senate January 6, 1916.

CONSULS.

CLASS 6.

Samuel C. Reat to be a consul of class 6.

CLASS 7.

Wilbert L. Bonney to be a consul of class 7,
John A. Gamon to be a consul of class 7.

CLASS 8.

Walter F. Boyle to be a consul of class 8.

RECEIVER OF PUBLIC MONEYS.

William H. Tompkins to be receiver of public moneys.

REGISTER OF LAND OFFICE.

John C. Stoner to be register of the land office.

POSTMASTERS.

GEORGIA.

Walter R. Cannon, Clayton.

IDAHO.

Jesse Beasley, Wardner.
D. O. Castater, Parma.
Josephine Erwin, Mullan.
J. C. Ford, Caldwell.
Don C. D. Moore, Sandpoint.
Samuel D. Riggs, Emmett.
Willis M. Sears, Albion.

MICHIGAN.

Charles L. Bennett, Thompsonville.
David R. Brown, Deckerville.
Edson C. Brown, Tecumseh.
Helen A. Collier, Gaylord.
Fred Gibbs, White Cloud.
Roy P. Hallock, Almont.
Archie D. Himebaugh, Hesperia.
Charles H. Hudkins, East Jordan.
Charles Hunter, Marlette.
Frank D. McCaren, Carsonville.
Coleman P. Morgan, Montrose.
John O'Meara, Escanaba.
Carl Pickert, Arcadia.
F. W. Richter, Niles.
A. F. Skarritt, Edmore.
Emanuel Wilhelm, Traverse City.

MINNESOTA.

Frederick F. Achatz, Harmony.
J. O. Backman, Mabel.
John P. Bakken, Pequot.
Steve Blanchett, Marshall.
Frank H. Borchert, Osakis.
George A. Boyd, Le Roy.
Ennis N. Brandon, Annandale.
John M. Brown, Ely.
Martin D. Brown, Fairfax.
G. F. Bureau, Underwood.
Mary Ellen Demel, Buhl.
John C. Dwan, Two Harbors.
Oliver Erickson, Atwater.
George F. Faber, Chaska.
Edward C. Feely, Farmington.
A. O. Forsberg, Willmar.
John M. Franta, Montgomery.
John N. Gayner, Litchfield.
Ora M. Goodfellow, Kenyon.
Charles E. Gravel, Pierz.
Edward H. Hebert, Bricelyn.
Lambert Irsfeld, Browerville.
A. J. Irwin, Belleplaine.
John K. Jasper, Bovey.
Ludvig Jenson, Battle Lake.
A. B. Kobe, Kelliher.
Joseph D. Kowalkowski, St. Cloud.
R. F. Lamb, Slayton.
Emil Lipp, Waconia.
Margaret I. McCall, Brewster.
Denis J. McMahon, Raymond.
J. J. Meighen, Twin Valley.
D. E. Murphy, Dassel.
J. D. Murphy, Tower.
W. J. Murphy, Blue Earth.
George A. Phelps, Walker.
Absie P. Ritchie, Bemidji.

E. A. Schilling, Cottonwood.
 Louis C. Stromberg, Red Wing.
 Jerry Sullivan, Heron Lake.
 George E. Le Tourneau, Windom.
 Sidney D. Wilcox, Park Rapids.
 Charles E. Wise, Mankato.
 John A. Zimbrick, Deer River.

NEW MEXICO.

Bertha M. Bartlett, Maxwell.
 John B. Harvey, Carlsbad.
 Van A. Pollock, Tyrone.

NEW YORK.

George E. Barry, Clifton Springs.
 Edward Coady, Holley.
 Dennis Quinn, Salem.
 John Toole, Hudson Falls.

OKLAHOMA.

R. H. Carraway, Caddo.
 S. D. Grandstaff, Butler.
 Hugh D. O'Neill, Marshall.
 Louie T. Tucker, Eldorado.

PENNSYLVANIA.

Harvey M. Bard, Denver.
 Roscoe H. Brunstetter, Clairton.
 Warren S. Buch, Lititz.
 Walter M. Clevenstone, Spring City.
 Ira F. Cutshall, Tarentum.
 W. E. Donahey, Vandergrift Heights.
 Harry A. Englehart, Ebensburg.
 M. J. Flynn, Emlenton.
 William C. Harvey, East Pittsburgh.
 John B. Henning, Tunkhannock.
 Robert H. Krebs, Norwich.
 T. W. Lauver, Milroy.
 M. J. McNulty, Troy.
 John D. May, Lapark.
 John A. Miller, Arnold.
 Joseph E. Niemond, Mifflin.
 J. P. Owens, Scottsdale.
 Clarence Reisinger, Sewickley.
 Joseph M. Rutherford, Willow Grove.
 A. Ray Sherwood, Meshoppen.
 Francis B. Smeltzer, Avonmore.
 Fred H. Smith, Athens.
 J. Landis Strickler, Hummelstown.
 Joseph R. Thurston, Factoryville.
 Edwin J. Wieder, jr., Pennsburg.
 Oliver F. Wolf, Telford.
 George W. Yost, Collegeville.

VERMONT.

Herbert O. Bixby, Chelsea.
 John J. Lynch, Middletown Springs.

REJECTION.

Executive nomination rejected by the Senate January 6, 1916.

POSTMASTER.

Charles L. Collins to be postmaster at Cartersville, Ga.

HOUSE OF REPRESENTATIVES.

THURSDAY, January 6, 1916.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We thank Thee, our Father in heaven, for those godlike qualities which Thou hast woven into our being, truth, justice, love, mercy, purity, which in times of great crises, lift us out of ourselves and make the whole world akin, illustrated in the stream of charities and personal sacrifices which are pouring themselves out in relief of the suffering men, women, and children in the war zone. But we pray that greater emphasis may be put upon these qualities in the transactions of daily life after the similitude of the Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

FREEDOM OF THE SEAS.

Mr. BORLAND rose.

The SPEAKER. For what purpose does the gentleman from Missouri rise?

Mr. BORLAND. Mr. Speaker, I rise to prefer a request for unanimous consent. It is very seldom that I ask unanimous consent to insert anything in the Record, but I ask now to insert, as a part of my remarks, a very remarkable statement by Dr. Dernberg, upholding the view of the United States on the question of the freedom of the seas from submarine attack.

The SPEAKER. The gentleman from Missouri asks unanimous consent to extend his remarks in the Record by inserting an article written by Dr. Dernberg respecting certain rights on the seas. Is there objection?

Mr. STAFFORD. Mr. Speaker, will the gentleman state whether he received this communication from Dr. Dernberg direct or is it in the form of a publication?

Mr. BORLAND. This is a publication in a Milwaukee newspaper.

Mr. STAFFORD. Oh, if it is in a Milwaukee newspaper, it is authority.

The SPEAKER. Is there objection?

Mr. TAGGART. Mr. Speaker, reserving the right to object, I wish to ask the gentleman from Missouri if this is the Dr. Dernberg who visited the United States and who is not a citizen of the United States?

Mr. BORLAND. This is the Dr. Bernhard Dernberg who is an expert on international law, as I understand it, and who has been in some capacity connected with the German Government. He was at one time in the United States.

Mr. TAGGART. And has now left the United States?

Mr. BORLAND. He is now in Germany. This is an opinion on international law on the question of the freedom of the seas, which is very valuable and enlightening as being the true German viewpoint on that subject.

Mr. TAGGART. I have no objection.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

RURAL CREDITS.

Mr. HENRY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on the subject of farm credits.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the Record on the subject of farm credits. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, does the gentleman expect to do that by inserting a lot of material or to extend the remarks the gentleman made the other day?

Mr. HENRY. Mr. Speaker, the other day I intended to ask that permission. There were several things that I omitted to put into my remarks.

The SPEAKER. Is there objection?

There was no objection.

COTTON.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on the subject of cotton and the marketing thereof.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the Record on the subject of cotton and the marketing thereof. Is there objection?

There was no objection.

NATIONAL DEFENSE.

Mr. SHOUSE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting a copy of a telegram I received from Mrs. Lillian Mitchner, of Kansas, on the subject of national defense, and a copy of my answer thereto.

The SPEAKER. The gentleman from Kansas asks unanimous consent to extend his remarks in the Record by printing a telegram he received from Mrs. Lillian Mitchner, and his answer to the same, on the subject of preparedness. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I do not see here present the chairman of the Committee on Printing, the gentleman from Indiana [Mr. BARNHART], who usually takes charge of these outside requests, and for the time being I shall object.

POSTAL SAVINGS SYSTEM.

The SPEAKER. The unfinished business is the consideration of the bill (H. R. 562) to amend the act approved June 25, 1910, authorizing a Postal Savings System, and the Chair recognizes the gentleman from Tennessee [Mr. MOON]. As the Chair recollects, when this bill was withdrawn from consideration temporarily before the holidays, the gentleman from Tennessee [Mr. MOON] and the gentleman from Illinois [Mr. MANN] were endeavoring to reach some agreement respecting the time for debate.

Mr. MANN. No, Mr. Speaker; the consent had already been given to consider the bill in the House as in Committee of the Whole.

Mr. MOON. Yes; and the date for consideration was fixed.

The SPEAKER. The Chair recognizes the gentleman from Tennessee [Mr. Moon].

Mr. MOON. Mr. Speaker, I take it that there is not very much controversy about this bill. Possibly there should be some little change in the phraseology.

Mr. MANN. I think the bill was read for amendment. I move to strike out the last word. As I understand, the language of the bill is:

And said act is further amended so as to repeal the proviso in section 7 thereof and insert in lieu of such proviso the following.

I suppose that would accomplish the purpose, although it seems to me a little irregular to say that we amend an act by repealing a part of it. I suggest that it read as follows:

And said act is further amended so that the proviso in section 7 thereof shall read as follows.

That is the ordinary form.

Mr. MOON. The phraseology offered by the gentleman from Illinois does not in any sense change the meaning of the bill.

Mr. MANN. No; it leaves it identically the same, but, I think, in better language.

Mr. MOON. I have no objection to the amendment.

Mr. MANN. Mr. Speaker, I move to strike out, in line 10, the words "as to repeal" and insert in lieu of these words the word "that," and then strike out, in lines 11 and 12, the language "and insert in lieu of such proviso the following," and insert "shall read as follows:" I will ask the Clerk to read the language as it will read as amended.

The Clerk read as follows:

And said act is further amended so that the proviso in section 7 thereof shall read as follows:

The question was taken and the amendment was agreed to.

The SPEAKER. Without objection, the pro forma amendment of the gentleman from Illinois is withdrawn.

There was no objection.

Mr. STAFFORD. I would like to ask recognition for a pro forma amendment.

Mr. MOON. I have no objection.

The SPEAKER. For what purpose does the gentleman from Wisconsin rise?

Mr. STAFFORD. Mr. Speaker, I purposed to offer an amendment to this bill which would lift the restriction entirely on the amount that could be deposited in postal savings banks and limit the amount to \$2,000 on which interest would be paid; but I recognize the difficulty that might beset this bill even though a majority of this House were in favor of that liberal policy, for this bill in the last Congress had rather rough sledding in another body. We brought into the House, in the early days of the last Congress, a bill lifting the present limitation of \$500 which a person could deposit in a postal savings bank to \$1,000, and removed the restriction of \$100 that might be deposited in any one month. It went to another body, and after a long siege over there it was brought back in a somewhat emasculated form, and the conference report was agreed to, only to be vetoed by the President of the United States in September, 1914.

It was the expectation of many that some action might be taken on this important measure following the veto of the President, but regardless of the mandate of the Constitution which requires immediate consideration of a veto it was referred to the Post Office Committee and allowed to slumber there until the end of the session. Since adjournment, and even before adjournment, there has been a demand in all of the large cities of the country, by reason of the tremulous condition confronting the financial situation at times, from poor people, and particularly foreigners who have not sufficient faith and confidence in our financial institutions, to present their savings at post-office depositories in greater sums than \$100.

Mr. TOWNER. Will the gentleman yield?

Mr. STAFFORD. Not at this point. In a minute I will be glad to yield. But the post offices of the country have been unable to accept those funds. In fact, those who were in strong favor of the Postal Savings System in its very inauguration back in 1912 were opposed to that \$100 restriction and favored allowing a depositor to deposit the maximum amount at one time. Any of you gentlemen who are acquainted with the practice of receiving these funds know that foreigners come to the cashiers of the post offices with large sums, wishing to have them deposited, but can not have them accepted. This bill lifts that \$500 and permits a maximum amount of \$1,000 to be deposited at one time. It also grants to the board of trustees the privilege of allowing an additional sum of \$1,000 to be deposited,

but without interest. The reason why I am not going to press my amendment is this: That with the liberal policy of allowing any depositor at any one time to deposit \$1,000 in a postal bank he may at the end of the quarterly period transfer his deposit to a postal savings bond paying 2½ per cent, and by that means will be able to deposit all the savings that he may have in permanent form with the security of the Government back of it, thus taking out of hiding these thousands and thousands of dollars that have been in hiding for years and years, mayhap, and allowing those funds to be utilized in the course of business. Now, I yield to the gentleman from Iowa.

Mr. TOWNER. Is it not true, I will ask the gentleman, not only in the larger cities, as the gentleman stated, but in the smaller cities and towns, where they may have a large foreign element of population, that the demand is also coming for this enlargement of the restriction?

Mr. STAFFORD. In all localities where there is a large foreign element the statistics show there has been a demand to utilize the postal savings banks. In fact, nearly 60 per cent of all the depositors of postal savings funds come from the foreign element of the country. Therefore I will not press my amendment, but will favor the bill as it stands, hoping it will be agreed to speedily in another body.

I withdraw my pro forma amendment.

Mr. HOWARD. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman rise?

Mr. HOWARD. I move to strike out the last word. Mr. Speaker and gentlemen of the House, I consider this, in view of proposed rural-credits legislation that I hope will be enacted into law at this session of Congress, one of the most important measures that are pending before the House.

The present conduct of the Postal Savings System of this Government, as anybody knows who has devoted any time whatever to the study of the system, is a monumental farce. It is unwieldy, in the first place; it is exorbitantly expensive in another; and there are certain limitations and restrictions thrown around the present system that, in my judgment, are absolutely absurd. This system has been in operation since 1910. The annual appropriation made for the maintenance of the Postal Savings System has been \$600,000 per annum. We had at the beginning of the European war about \$43,000,000 on deposit, after this bank had been in operation for about four years. At the present time we have, according to the statement of the Third Assistant Postmaster General, \$73,000,000 on deposit. The reason for this enormous and extensive increase in the deposits of the Postal Savings System occurs for two reasons—first, the inability of foreign citizens in this country to get their savings to their people in Europe; next, the very high cost of exchanges to European countries. I predict—and any other man who has given any study to this question will agree with me—that as soon as the European war is over all of this surplus that the Postal Savings System, or practically all of it, that has accumulated will be withdrawn immediately and it will be sent abroad to the relatives and close kin of these foreigners who have deposited it. Now, if you will take \$45,000,000 from \$73,000,000, you will get approximately the amount of money that is sent abroad every year by foreigners who come over here to compete with our American-born labor.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. HOWARD. In just one second I will. I want to finish this.

Now, I saw a very interesting statement in the New York Times about the savings banks in this country. If you will take the number of offices, some 14,000, out of the number of post offices in the United States you will find the sum deposited in the offices that the Post Office Department has authorized to receive these deposits is a mere bagatelle. I hope, and I shall offer a substitute to this bill for that purpose, that the postal savings in this country may become a very strong arm of our system of rural credits for the purpose of stabilizing rural-credit bonds issued on farm-loan securities.

Now, let us see. In 1915, at the end of the year, we had 2,100 savings banks in the United States. The number of savings depositors in these private institutions were 10,502,000. The amount of savings-bank deposits, approximately, on the 31st day of December, 1915, was \$4,700,000,000. The number of mutual savings banks out of the 2,100 stock companies and mutual companies in the United States—

The SPEAKER. The time of the gentleman has expired.

Mr. HOWARD. Mr. Speaker, I ask unanimous consent for five minutes more.

The SPEAKER. The gentleman from Georgia asks unanimous consent for five minutes more. Is there objection? [After a pause.] The Chair hears none.

Mr. HOWARD. The number of purely mutual savings institutions in the United States was 634. Now, here is a remarkable fact that I would like you gentlemen to think about. The number of depositors in the mutual savings banks, without any stipulated capital whatever, but purely mutual organizations, amounted to 8,274,000 out of a total number of depositors of all savings banks of 10,502,000. The deposits in purely mutual savings banks, to wit, 634 of them, amount to \$3,924,000,000; or, in fact, four-fifths of the entire deposits and savings institutions in the United States were in these 634 banks.

Now, let me explain to you the inner workings of this system. Suppose my friend, the gentleman from Iowa [Mr. GREEN] went down to the post office here and deposited \$100, and that his business called him to Chicago, where he would have need for his \$100. You would think, and any other sane man would think, that if he stepped into a bank or the post office to get \$100 on certificate of the Government of the United States, that they hold in trust for him \$100. But that is not the operation of this system. The gentleman from Iowa would have to go to a lawyer, draw a power of attorney, designate a certain person in the city of Washington, D. C., to collect that money, and that person would have to be identified at the local office here. Suppose his interest fell due, which would amount to \$2, and he wanted to collect that from Chicago, he would have to go through the same operation. Suppose you wanted to deposit \$18 of your hard-earned savings in this system, and you went down to complete that transaction in the city of Washington. The clerk would first say to you, "What is your age?" "What was the name of your father?" "What was the name of your mother?" "What is the color of your eyes?" "What is the color of your hair; and how much do you weigh; and what did you have for breakfast this morning?" In addition to that, you say, "I want this \$18 deposited." He issues you four pieces of paper—a \$10 certificate, a \$5 certificate, a \$2 certificate, and a \$1 certificate. The poor fellow gets back more from the Government than he gave it. He gets a handful of certificates, a pass book, an identification card. But suppose he had \$18.60 that he wanted to deposit. In that case, they would hand you a beautiful post card, with six beautiful blue stamps on it, and that would make \$18.60 you have deposited, and in addition you have a handful of paper. The wonder to me is that you found 40 per cent of sane American citizens that would put 40 per cent of the deposits in these banks under the present system. No wonder, as my good friend from Wisconsin stated, that 60 per cent of their depositors are foreigners. An American citizen will not deposit money in these banks as long as these limitations and restrictions are put around them. Why should not the United States of America at this minute have on deposit, if these banks were established in every post office in the United States, between \$500,000,000 and \$600,000,000? For what purpose does the Government of the United States establish a Postal Savings System? Did it establish it for the purpose of going into competition with savings banks? Not at all.

The purpose of the establishment of the Postal Savings System was for drawing from hiding, from skeptical people, who would rather put their money in an old sock, under the hearthstone, or between the mattresses of the bed than in an ordinary private savings institution, the hidden money of the country. After gathering these vast sums together putting it back into the legitimate channels of commerce. But since the enactment of this law—and wisely, too, the necessity having arisen—we want to establish a system of rural credits. You want the credit of the farmer to be worth one hundred cents on the dollar, and upon the same principle that all stocks in which savings bank deposits can be invested in this country you never find one of them below par. Why? Because the mere fact that savings banks can invest their capital and deposits in these securities stabilizes these securities, and every great financier in the country always is endeavoring to make his securities come within the purview of the law governing the investment of savings-bank funds. So in like manner would the permission to invest postal savings in rural credit securities stabilize them and they would always sell at par.

The SPEAKER. The time of the gentleman from Georgia has again expired.

Mr. HOWARD. I ask unanimous consent, Mr. Speaker, to extend my remarks in the Record on the proposition.

The SPEAKER. The gentleman from Georgia asks unanimous consent to extend his remarks in the Record. Is there objection? There was no objection.

The SPEAKER. Without objection, the pro forma amendment offered by the gentleman from Georgia is withdrawn.

Mr. MADDEN. Mr. Speaker, I move to strike out the last word.

Mr. MOON. Mr. Speaker, is the gentleman from Illinois [Mr. MADDEN] recognized?

The SPEAKER. Yes. The gentleman moves to strike out the last word.

Mr. MADDEN. Mr. Speaker, my friend from Georgia [Mr. HOWARD] did not seem to grasp the significance of this bill. He seemed to try to surround the bill with every kind of complication and nightmare that he could imagine.

This is the simplest proposition that has been before the House for a number of years. Under the law at the present time any person who wishes to deposit in a postal savings bank can deposit only \$100 in any one month, and he can deposit only \$500 altogether. This bill proposes to change that limitation. It proposes to enable any person who wishes to do so to deposit not only \$100 in any one month but \$1,000 or \$2,000, if you please. To-day we pay interest only on \$500. If this bill passes, the depositor can have \$2,000 in the bank on \$1,000 of which he can draw interest.

That is all there is in the bill. It is simply an effort to accommodate the public, or that part of the public that wishes to take advantage of an increased right to deposit money in the postal savings banks. It has nothing to do with rural credits, nothing to do with the complications of management. It simply adds to the opportunity of increased deposits. That is all.

Mr. HOWARD. Mr. Speaker, will the gentleman yield for a question?

The SPEAKER. Does the gentleman from Illinois yield to the gentleman from Georgia?

Mr. MADDEN. Yes.

Mr. HOWARD. Can you please give any reason why the Government of the United States should limit the amount of money upon which it will pay interest or limit the amount of money that could be deposited in a postal savings bank?

Mr. MADDEN. Only the reason that it is believed there ought not to be too much money placed at the disposal of the Government of the United States through these deposits. When the law was originally enacted it was sought to leave the bill without limitation as to the amount of deposits, but a great many Members of the House and of the Senate—a majority, at least—believed that there ought to be a limitation, and it is not for me to say that what the House and the Senate did was unwise. I believed then that there ought not to be any limitation; I believe now that there ought not to be any; but I believe that what we propose is infinitely better than what we have.

Mr. HOWARD. Mr. Speaker, will the gentleman yield further?

Mr. MADDEN. Yes.

Mr. HOWARD. Then the gentleman practically admits that the purpose of this amendment and all other amendments that have been put upon this Postal Savings System is to smother rather than to increase deposits?

Mr. MADDEN. Oh, I deny that. This amendment is proposed for the purpose of encouraging larger deposits, for the purpose of bringing more money out of hiding, for the purpose of enabling men who have no confidence in banks to deposit their money with the Government, and most people who wish to deposit money in this kind of a bank do not wish to deposit in any large sums, as a rule. There are times when banks in various localities may fail. The people who are not in the habit of conducting business through banks and transacting business by check take their money out of the banks and endeavor to place it on deposit in the postal savings banks. The bankers of the country originally believed that this system would be antagonistic to banking. They have now come to the belief that this is a supplement to good banking, and the more money we place in the postal-savings banks of the United States the more stable the banks of the country are, because all the money that goes into the postal-savings banks finds its way into the local banks, which are obliged to pay interest to the Government of the United States and to give security for the safe return of the money which is placed on deposit with them.

Mr. FESS. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Illinois yield to the gentleman from Ohio?

Mr. MADDEN. Yes.

Mr. FESS. Is there any limitation as to what sort of post office or as to the character of the town where the postal savings bank is established?

Mr. MADDEN. The commission or the board, consisting of the Secretary of the Treasury and the Postmaster General and, I believe, the Secretary of Agriculture, has power to designate the character of the post office in which the postal savings bank can be established.

Mr. FESS. Does this answer where there is no bank in the town?

Mr. MADDEN. Where there is no bank in the town, as a rule, there would be no postal savings bank, because the law requires that all money placed on deposit in the postal savings banks must be redeposited in the local banks.

The SPEAKER. The time of the gentleman from Illinois has expired. The pro forma amendment offered by the gentleman from Illinois is withdrawn.

Mr. MOON. Mr. Speaker, there ought not to be very much controversy about this bill. It is a very simple amendment to the postal savings banks law that has been in operation for several years. Under the law, as it stands now, \$100 may be deposited in one month. Five hundred dollars is the limit to one person for a year. This bill proposes to permit the deposit of \$1,000 in a year with interest, and \$1,000 additional, in the discretion of the trustees, without interest, making \$2,000 deposits possible.

As has been stated time and time again, those deposits come largely from foreigners and persons who are not willing to trust our banks. I had thought when this system began that it would not be profitable, but it seems its operation has disclosed the fact that it does make, even with the present limitations imposed on it, some profit to the Government, and it is running not with an increased but with a decreased expense from the maximum obtained in 1913. The expenses of running this department for 1914 were \$205,528.32; for 1915, \$168,953.64. The estimate for the coming year is \$161,120. The department is reducing its expenses as it understands the proper methods by which it may be better run year by year. Let me read to you these figures:

Statement showing the number of depositors in the Postal Savings System and the balances to their credit at the end of each fiscal year during which the system has been in existence, together with the number of officers and clerks employed at the central office of the system at the end of each fiscal year and the aggregate salaries paid the officers and clerks during each fiscal year.

Fiscal year ended June 30—	Number of depositors at end of each fiscal year.	Balances on deposit at end of each fiscal year.	Number of officers and clerks at end of each fiscal year.	Aggregate salaries paid officers and clerks during each fiscal year (details taken into account).
1911 ¹	11,918	\$677,145	30	\$45,816.83
1912.....	243,801	20,237,084	135	100,195.25
1913.....	331,006	33,818,870	173	195,601.96
1914.....	388,511	43,444,271	156	206,528.32
1915.....	525,414	65,684,708	124	168,953.64

¹ Six months only; system began business Jan. 3, 1911.

The Postmaster General's estimate for clerical hire in the central office of the Postal Savings System for the fiscal year ending June 30, 1917, is \$161,120.

There are now \$73,000,000 on deposit. Last year there were \$32,000,000 in State institutions and trust companies that are not really members of the reserve-bank system and \$41,000,000 in the national banks, as I am advised. I present here some facts from the department, as follows:

THE POSTAL SAVINGS SYSTEM.

Authorized: By the act of June 25, 1910; installed January 3, 1911. (All statistics are of June 30, 1915, unless otherwise described.)

Deposits: \$65,684,708, a gain over the previous year of more than \$22,000,000; largest gain in the history of the service.

Number of depositors: 525,414, an increase of 137,000 over the previous year; also largest increase in the history of the service.

November 30 estimates: Amount on deposit, \$73,000,000; number of depositors, 560,000.

Banks, depository: All postal savings funds are on deposit in 3,625 national and 2,291 State institutions, except 5 per cent required by law to be deposited with the Treasurer of the United States as a reserve fund and \$1,233,420 postal savings bonds bought from the public by the board of trustees.

Bonds: Postal savings bonds (1 to 20 years, 2½ per cent) issued pursuant to section 10 of the postal savings act, \$7,307,100. All outstanding except the \$1,233,420 purchased from the public by the board of trustees.

Excess of interest: Excess of interest received from banks over interest allowed depositors covered into the Treasury since the beginning of the service, \$1,687,912.03. Payments to the Treasury were as follows:

June 29, 1914.....	\$399,932.96
Oct. 13, 1914.....	425,684.72
Dec. 18, 1914.....	225,000.00
June 16, 1915.....	375,000.00
July 27, 1915.....	12,294.40
Dec. 1, 1915.....	250,000.00

The payments to the Treasurer for the fiscal years 1915 and 1916 have necessarily been on account and are not complete.

Net profits: In the early days of the service, when the central office was being equipped at great expense, the field stocked with records, blanks, and other supplies, and the deposits were comparatively small, the service was run at a loss to the Government. Experience pointed out many economies, so that during the fiscal year 1914 the Postal Savings Service, for the first time, was conducted

at a profit—\$172,421.67. Further economies and larger deposits in 1915 resulted in a net profit of \$421,028.44.

Class of depositors: Postal savings deposits are made up chiefly of the savings of people who work for a daily wage. While every conceivable occupation is represented among the depositors, the day-labor class far outnumbers all others and owns a vast majority of the savings. A very large percentage of these day laborers is foreign born, who will patronize no savings institution that does not have the Government directly back of it.

Fifty-nine per cent of all postal savings depositors were born outside of the United States, and they own 72 per cent of all the money on deposit. The Russians outstrip other foreign born in deposits, with 20.7 per cent of all postal savings deposits to their credit. The Italians are next, with 14.2 per cent. Natives of Great Britain and her colonies rank third, with 8.8 per cent. Then follow the Austrians, with 8.7 per cent; Hungarians, 4.3 per cent; Germans, 4.1 per cent; Swedes, 2.2 per cent; and Greeks, 1.8 per cent. A score of other nationalities from every quarter of the globe own 7 per cent of the deposits. These figures explain enormous postal savings receipts in the large manufacturing cities.

Leading States and cities: The bulk of postal savings deposits is in comparatively few States. On September 30, 16 States named below had 86 per cent of all deposits in the United States:

New York.....	\$21,186,916
Illinois.....	5,098,146
Pennsylvania.....	4,700,112
Ohio.....	4,546,699
California.....	3,772,053
Massachusetts.....	3,188,284
Michigan.....	2,429,744
New Jersey.....	2,166,001
Washington.....	2,009,403
Minnesota.....	1,840,492
Missouri.....	1,827,569
Oregon.....	1,535,019
Wisconsin.....	1,510,543
Colorado.....	1,415,777
Connecticut.....	1,242,222
Indiana.....	1,166,410

Further segregation of postal savings in these States shows the following:

New York: Ninety per cent of the deposits is in New York City, Brooklyn, Buffalo, Rochester, and Long Island City. (Over one-fourth of all the deposits in the United States is in post offices included in Greater New York.)

Illinois: Two-thirds of the deposits are in Chicago.

Pennsylvania: Thirty-nine per cent of the deposits is in Pittsburgh, Philadelphia, Erie, and Altoona. Outside of these cities the deposits are heaviest in the mining belts where foreign labor predominates.

Ohio: Sixty-one per cent of the deposits is in Cincinnati, Cleveland, Columbus, Toledo, Akron, and Dayton.

California: Sixty-one per cent of the deposits is in San Francisco, Los Angeles, Oakland, and San Diego.

Massachusetts: Sixty-two per cent of the deposits is in Boston, Lowell, and Lawrence.

Michigan: Sixty per cent of the deposits is in Detroit and Ironwood.

New Jersey: Forty-five per cent of the deposits is in Newark, Jersey City, Paterson, and Franklin.

Washington: Sixty-three per cent of the deposits is in Seattle, Tacoma, Bellingham, Aberdeen, Spokane, and Roslyn.

Minnesota: Seventy per cent of the deposits is in St. Paul, Minneapolis, and Duluth.

Missouri: Seventy-six per cent of the deposits is in Kansas City and St. Louis.

Oregon: Seventy-six per cent of the deposits is in Portland and Astoria.

Wisconsin: Fifty-six per cent of the deposits is in Milwaukee and Superior.

Colorado: Sixty per cent of the deposits is in Denver, Leadville, and Pueblo.

Connecticut: Thirty-nine per cent of the deposits is in Bridgeport, New Haven, and Hartford.

Indiana: Twenty-five per cent of the deposits is in Indianapolis and Gary.

On September 30, 64 per cent of all postal savings deposits in the United States were held in 64 post offices.

Limits handicap: The Postal Savings Service has been handicapped from the very beginning by the statutory restrictions on the amount that may be accepted from a depositor. Only \$100 may be accepted from a depositor in a month, and \$500, exclusive of accumulated interest, is the maximum amount he may have on deposit. Millions of dollars, tendered chiefly by the foreign born, have been rejected and driven back into hiding and disuse on account of these restrictions. Not a day passes that postmasters do not report instances of the rejection of hidden savings. More than 30,000 depositors have now reached the \$500 limit and can deposit no more, despite their appeals to do so. Of these inactive accounts, which aggregate one-fifth of all postal savings deposits, 22,000 are owned by the foreign born. The Post Office Department, as now organized and equipped, could attend to the business incident to much larger deposits with practically no additional expense.

Postmasters complain: Attached are excerpts from a few letters received since the adjournment of the last Congress, in which postmasters volunteer their views on the statutory limitations on postal savings deposits.

Federal reserve system and postal savings: No postal savings funds have been deposited in banks which are not members of the Federal reserve system since November 15, 1914, when the Federal reserve act went into effect, because section 15 of that act prohibits the deposit of postal savings in nonmember banks. Postal savings deposited previous to November 15 in nonmember banks have been allowed to remain, under a ruling of the Attorney General, except as it has been necessary to withdraw them in isolated cases to meet withdrawals by depositors.

Postal savings funds in banks: On September 30, State banks and trust companies not members of the Federal reserve system held \$23,100,000 of postal savings. State banks and trust companies which have joined the Federal reserve system held \$1,200,000 and national banks \$41,300,000.

Collateral deposited by banks: Any bank belonging to the Federal reserve system which desires postal savings deposits must first turn over to the Treasurer of the United States acceptable collateral to guarantee the payment of funds on demand. There are approximately

7,600 national banks in the country, but only 3,625 have qualified to receive postal savings deposits.

State banks will not suffer if limit is raised: Under the present law State banks and trust companies not members of the Federal reserve system can not receive additional postal savings deposits. If the limit on deposits is raised, member banks will necessarily get a larger amount of money, but this will not be at the expense of the State banks.

Bankers are satisfied with this bill: A special committee of the savings-bank section of the American Bankers' Association has considered a bill identical with this and has reported that the increase in deposits asked is not unreasonable and will not work hardship upon their savings banks.

Minors: There is no valid reason why different limits should be placed on the amounts that will be accepted from minors and adults. More than a million and a half postal savings accounts, including those of present depositors, have been opened since the service went into effect, and there never has been a complaint to the Post Office Department that a dishonest debtor has caused accounts to be opened in the names of his children to evade his creditors. Of course, no statute can make a tax dodger or a dishonest debtor come up to the mark.

Minors should be given every opportunity during their habit-forming years to save their earnings. According to the census of 1910, one-fifth of all the gainful workers—that is, people who were working for wages—were between the ages of 10 and 20 years. In other words, 7,453,448 boys and girls between the ages of 10 and 20 in the United States were working for wages. The question of discriminating against them in the matter of accepting postal savings deposits is a serious one.

Having a different standard for deposits for minors and adults would entail serious administrative difficulties. Two sets of records would necessarily have to be kept. In 20 of the States a girl attains her majority at 18, so that boys would be required to wait three years in those States to patronize the Postal Savings System as fully as girls are permitted to do.

Cost of the postal savings service: Deposits and profits of the service are running up constantly and operating expenses are falling off. (See table.) The Post Office Department is equipped to transact double the present postal savings business with comparatively little additional outlay.

Mr. WINGO. Will the gentleman yield right there?

Mr. MOON. Yes.

Mr. WINGO. It has escaped my mind for the moment what the rule is with reference to the deposit of these funds in banks by the Post Office Department. Does the rule obtain that the funds may be deposited in another town, even though there are solvent State and National banks in the town in which the original deposit was made?

Mr. MOON. It is a matter that is in the discretion of the department to designate the depository. There are about 7,600 national banks in the United States that may be designated, but, as a matter of fact, only about 3,600 are.

Mr. WINGO. Can the gentleman advise me, is the basis upon which the department makes the discrimination of taking the deposits from town A, where there is both a State bank and a national bank, and sends them to a national bank in town B, a bank that is no stronger in assets?

Mr. MOON. I, of course, could not explain to the gentleman the reason why the department, in the performance of its administrative duties, sees fit to make a discrimination of that kind.

Mr. WINGO. I did not know but that the hearings disclosed the reason for that.

Mr. MOON. Nothing was disclosed on that point. I take it merely that the department thought that it was to the best interests of the department and the security of the funds to place them somewhere else.

Mr. WINGO. In the case I had in mind there was no question at all about the security, because there was no question about the solvency of both the State and the National banks.

Mr. MOON. Those are matters that are always in the discretion of an administrative officer.

Mr. WINGO. What I am seeking information about is, why it was done.

Mr. MOON. We have no information about that. Of course, that may be an isolated case.

Mr. WINGO. It was some time ago—I think possibly two years ago—that the same question was asked me and I was unable to give the information sought.

Mr. MOON. Mr. Speaker, the demand for this bill comes from every State in the Union. The postmasters are asking that something be done to authorize them to receive more deposits than they are now entitled to receive under the law. If under the present restrictions this bill is producing a revenue to the Government and placing money in commercial activity that has heretofore been in hiding, and bringing it out to be used at a low rate of interest, it is certainly a benefit to the people.

The SPEAKER. The time of the gentleman has expired.

Mr. MOON. Mr. Speaker, I ask unanimous consent for five minutes more.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that his time be extended five minutes. Is there objection?

There was no objection.

Mr. MOON. So if it operates well and is efficient and does good service with the restrictions resting upon it, surely it would do better if the restrictions were removed to the extent that the Government asks that they be removed.

I can not conceive of any reason why there should be any opposition to this. Of course, I understand my good friend from Georgia [Mr. HOWARD], who says he is going to propose an amendment that would revolutionize the whole system and give the farmers something that he thinks they ought to have, would be glad to have his measure made the law instead of the present law; but I take it he knows, as I do, that his amendment will not be germane to this bill; and, however wise it may be, it can not be considered under this bill under the House rules.

Mr. NORTON. Will the gentleman yield?

Mr. MOON. Yes; I will yield.

Mr. NORTON. Will the gentleman explain to the House why the committee limited the amount to be deposited to \$2,000?

Mr. MOON. I can not explain to the gentleman why there should be any limit on it at all; but the department is moving slowly in the development of this system. It has operated some time under the low limit, and now its desire is to try to the higher limit. I take it that it is possible that it would be all right to withdraw the restriction altogether, but I should not favor that, in view of the expressed opinion of the department of a preference for the limit as fixed in this bill. Of course \$2,000 is an arbitrary figure.

Mr. NORTON. The \$2,000 is an arbitrary limitation.

Mr. MOON. Yes; and it is believed by the department that this figure will cover the amount of deposits that will be sought to be made, so far as present information is concerned.

Mr. BENNET. Will the gentleman yield for a question.

Mr. MOON. I will yield.

Mr. BENNET. Does the bill in its present form meet the objections raised by the President of the United States to the former bill?

Mr. MOON. Yes; the President of the United States vetoed the other bill because there was a provision in it which directed deposits to be made with State banks and trust companies. The President thought that all Federal revenue should be under the control of a bank which itself was under the control of the Federal Government, but this bill does not contain the provision that was vetoed.

The President commended the bill very much, except the one provision which he thought was unwise to incorporate into the law.

Now, as I was about to say when I was interrupted, my good friend from Minnesota [Mr. STEENERSON] has one objection to this bill. He thinks that minors ought not to be permitted to deposit money in the postal savings bank. Having so much respect for the judgment of my friend generally, I have tried to find some reason why that sort of an objection should be made to this bill. I can not see any reason why a boy or girl who is working for a living, although under 21 years of age, should not be encouraged to make deposits of savings as well as grown persons. There can not be any sound reason against it. In fact, a policy which will encourage the saving of what they make ought to be encouraged. But the gentleman from Minnesota [Mr. STEENERSON] says that a case might arise where a parent would have children take his money and deposit it in their names, and thereby defraud his creditors. It is inconceivable to my mind that this Congress should legislate against the possibility of dishonesty on the part of any man, either to circumvent the law or attempt to defraud his creditors. I want to suggest to the gentleman from Minnesota that while such a case is altogether theoretical, up to this time there has not been the suggestion of any fraud of that kind. If it did arise it would be the easiest thing possible to protect creditors against the fraud. All that a creditor would have to do would be to file a bill for an injunction against the parties perpetrating the fraud. He could not file it against the Government, but he could file it against them, and they would be prohibited from withdrawing a dollar of that fund until the decision was made. Then if the decision was against the defendant and on behalf of the plaintiff-creditor the gentleman very well knows that the Government of the United States would not pay out the money to the depositor in the face of such judicial decision that it was fraudulently deposited. So it occurs to me that there can be absolutely nothing in that view of the case. Now, Mr. Speaker, if there are others who want to address the House on this question I will yield, and if not, I will move the previous question.

Mr. STEENERSON was recognized.

Mr. HOWARD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOWARD. Mr. Speaker, I want to ask what the status is as to offering an amendment in the nature of a substitute for the pending bill.

The SPEAKER. The gentleman can offer it after the other amendments are disposed of.

Mr. HOWARD. After the previous question is ordered?

The SPEAKER. No.

Mr. HOWARD. But the gentleman from Tennessee moves the previous question.

Mr. MOON. Oh, no; I stated that if there were no other Members who wished to address the House I would move the previous question.

Mr. HOWARD. I want to ask recognition to offer a substitute for the pending bill.

Mr. MANN. It is in order at any time, and the gentleman can do it now.

Mr. STEENERSON. But, Mr. Speaker, I have been recognized and I want to offer an amendment.

The SPEAKER. When the gentleman from Minnesota is through, the Chair will recognize the gentleman from Georgia to offer his substitute.

Mr. STEENERSON. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Amend the bill by adding at the end of the paragraph on page 2 the following:

"That section 9 of the act approved June 25, 1910, authorizing a Postal Savings System, be, and the same is hereby, amended so as to read as follows:

"Sec. 9. That postal savings funds received under the provisions of this act shall be deposited in solvent banks, whether organized under National or State laws, and whether member banks or not of a reserve bank created by the Federal reserve act, approved December 23, 1913, being subject to National or State supervision and examination, and the sums deposited shall bear interest at the rate of not less than 2½ per cent per annum, which rate shall be uniform throughout the United States and Territories thereof; but 5 per cent of such funds shall be withdrawn by the board of trustees and kept with the Treasurer of the United States, who shall be treasurer of the board of trustees, in lawful money as a reserve. The board of trustees shall take from such banks such security in public bonds or other securities, supported by the taxing power, as the board may prescribe, approve, and deem sufficient and necessary to insure the safety and prompt payment of such deposits on demand. The funds received at the postal savings depository offices in each city, town, village, and other locality shall be deposited in banks located therein (substantially in proportion to the capital and surplus of each such bank) willing to receive such deposits under the terms of this act and the regulations made by authority thereof, but the amount deposited in any one bank shall at no time exceed the amount of the paid-in capital and one-half the surplus of such bank. If no such bank exist in any city, town, village, or locality, or if none where such deposits are made will receive such deposits on the terms prescribed, then such funds shall be deposited under the terms of this act in the bank most convenient to such locality. If no such bank in any State or Territory is willing to receive such deposits on the terms prescribed, then the same shall be deposited with the treasurer of the board of trustees and shall be counted in making up the reserve of 5 per cent. Such funds may be withdrawn from the treasurer of said board of trustees, and all other postal savings funds, or any part of such funds, may be at any time withdrawn from banks and savings depository offices for the repayment of postal savings depositors when required for that purpose. When, in the judgment of the President, war or other exigency involving the credit of the United States so requires, the board of trustees may invest all or any part of the postal savings funds, except the reserve fund of 5 per cent herein provided for, in bonds or other securities of the United States. The board of trustees may in its discretion purchase from the holders thereof bonds which have been or may be issued under the provisions of section 10 of the act of June 25, 1910. Interest and profit accruing from the deposits or investment of postal savings funds shall be applied to the payment of interest due to postal savings depositors as hereinbefore provided, and the excess thereof, if any, shall be covered into the Treasury of the United States as a part of the postal revenue: *Provided*, That postal savings funds in the treasury of said board shall be subject to disposition as provided in this act, and not otherwise: *Provided further*, That the board of trustees may at any time dispose of bonds held as postal savings investments and use the proceeds to meet withdrawals of deposits by depositors. For the purposes of this act the word "Territory," as used herein, shall be held to include the District of Columbia, the District of Alaska, and Porto Rico, and the word "bank" shall be held to include savings banks and trust companies doing a banking business."

Mr. STEENERSON. Mr. Speaker, this amendment is exactly the same as section 2 of the bill that passed last Congress and which was vetoed by the President. If this amendment is adopted, the bill will be exactly the same as the bill that we passed in the last Congress, with the exception that the limitation will be \$1,000 with interest and an additional thousand and no interest instead of \$500.

Now, I want to call the attention of the House to the grounds upon which the former bill was vetoed. We all favored that bill. One of its provisions was that the postal savings funds might be deposited in State banks without regard to whether or not they were members of the Federal reserve system. It was in that respect in conflict with the reserve law. The President at the request, as we believe, of the Secretary of the Treasury, was induced to veto it. The grounds expressed in the veto were that we had just then created a Federal reserve system and

they wanted all the State banks to join, and they wanted to hold out all the inducements possible for those State banks to join. They wanted the additional inducement that postal savings funds should be placed in banks that were members of the reserve system.

The Federal reserve act has been in force for more than a year. If the Federal reserve act had been carried out, you will readily see that postal savings funds in State banks that were not members of the system would have been withdrawn. As suggested by my friend from Michigan, Mr. FORDNEY, when the bill was up the other day, the carrying out of the reserve law might in some cases cause the withdrawal of millions of dollars from State banks and embarrass them. It is a pretty serious matter. There are now \$73,000,000 on deposit, and more than half, I believe, of those deposits are in State banks not members of the Federal reserve system. It is in the power of the Government to change these deposits immediately in compliance with the Federal reserve law.

Now, it is true that the trustees of the Postal Savings System have not exercised any such authority. They have permitted the deposits to continue in the State banks even though they are not members of the Federal reserve system. But that very fact—the fact that for more than a year they have not enforced the law in that regard—is proof, it seems to me, that the ground upon which that bill was vetoed was untenable and is not valid now, and would not again be taken by the Secretary of the Treasury.

The idea of the Postal Savings System was, as expressed so eloquently by those gentlemen who have preceded me, to induce money to leave its hiding places, especially among the laborers who did not like to trust their money to the banks, and to put it at work in commerce and industry. But it ought to be put to work—and that was the idea and the object—right in the same locality where it originated, and not be carried away to distant banks or to Washington. For that reason, when the Postal Savings System was before Congress—

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. STEENERSON. Mr. Speaker, I ask unanimous consent that I may continue for 10 minutes.

The SPEAKER. The gentleman from Minnesota asks that his time be extended 10 minutes. Is there objection?

There was no objection.

Mr. STEENERSON. When the Postal Savings System was before Congress it was provided that these funds might be deposited—and, in fact, required to be deposited—in the banks nearest the origin of the deposits.

There is another reason why the objection raised in the veto of the former measure now loses its force. When they deposit postal savings funds in State or National banks they require security—bonds, public bonds, or other securities supported by the taxing power, as the board of trustees may prescribe. In that particular the United States Government is acting as trustee for the savings-banks funds, and those funds have an advantage over all other deposits, because no other depositor gets actual security hypothecated for the return of the money.

Therefore the reason advanced why these funds should be deposited only in National banks or such State banks as are under the Federal reserve system, and thereby under supervision of the national authorities, is removed; because the Government has absolutely passed upon the bonds or securities that have been left with the authorities in order to get these deposits. It is not a deposit that is based on the general credit of the bank, only to a very slight degree. This matter was being considered by the committee on postal savings-bank legislation of the savings-bank section of the American Bankers' Association at a session of the annual meeting of the American Bankers' Association on September 7, 1915. I will read the report which that committee made. It reviews the reasons. While this report may be said to favor the measure, it prefers the measure that authorizes the deposit of these funds in other than system banks. I read:

The Sixty-third Congress made no change of moment affecting the Postal Savings System excepting that nonmember banks were disqualified under the Federal reserve law from hereafter becoming depositories of postal savings funds; funds already on deposit in such nonmember banks may or may not be allowed to remain, the present policy of the department being to leave these old deposits undisturbed.

That is the policy of the department. It is not obligatory on them to do so. They have the power, as I have already stated, to take them all out within 24 hours and put them in system banks. To continue with the report:

When we met in Richmond last October we reported that the President had just vetoed the bill known as the Moon bill (H. R. 7967). This bill at first proposed to amend the existing law by permitting a person to deposit an unlimited amount at any time in a postal savings

bank, but no interest was to be allowed on sums exceeding \$1,000. The bill was subsequently amended in the Senate and the limit of interest-bearing deposits was at first fixed at \$1,000 and gave the board of trustees of the Postal Savings System discretionary power to receive an additional \$1,000 without interest. As finally passed, the limit was fixed at \$500 upon which interest should be paid and an additional \$500, at the discretion of the trustees, but without interest. The bill as passed also provided that postal savings funds might be deposited in banks which were not members of the Federal Reserve Association. I will say at this point that considerable complaint has been made to this committee by reason of the fact that the present law does not permit postal savings-bank deposits to be made in nonmembers of the Federal Reserve, but that the present policy of the department is to allow deposits to remain undisturbed which were made before the law went into effect with such nonmember banks.

I call attention to the fact that that policy is alleged here to apply only to deposits that were made before the passage of the reserve act. Deposits made since then would have to be deposited in reserve banks. The rest of the letter follows:

I might say that we are endeavoring very hard to have legislation passed to permit the deposit of postal savings funds in any solvent bank, whether member of the Federal Reserve or not; but we have been unable utterly to obtain any favorable legislation.

This latter provision was not acceptable to the President and the bill was vetoed. Another bill was promptly introduced by Mr. MOON (H. R. 18842) meeting the President's objection; this bill died in committee. A similar bill was introduced in the Senate by Senator BANKHEAD (S. 6770) fixing the limit at \$1,000 upon which interest should be paid and an additional \$1,000 without interest; this bill was not reported out of the committee to which it was referred, but was a little later on inserted as a rider in the Post Office appropriation bill; it was finally eliminated from this bill, as the committee wisely decided to exclude all matters not strictly items of appropriation.

The limitation of \$500 therefore still exists, but it is understood that the Sixty-fourth Congress will enact legislation raising the limit of interest-bearing deposits to \$1,000 and giving discretionary powers to the board of trustees to accept an additional \$1,000 without interest. From the knowledge acquired by your committee in its efforts to have the original bill amended and from a frank interchange of views with the director of the Postal Savings System, we feel that the desire of the trustees for this increase of authority is not unreasonable and will not work any hardship upon our savings banks. We have been assured that it is not the policy of the Postal Savings System to compete with the existing agencies for saving, but endeavors only to supplement them, and in so far as we are able our members should cooperate with every effort to cultivate the thrift habit of our people.

Owing in great measure to conditions brought about by the war in Europe deposits in postal savings banks have largely increased during the past year; on June 30, 1914, there were 288,511 depositors, and a total of \$43,444,271 on deposit; on June 30, 1915, there were 328,000 depositors, and a total of \$65,600,000 on deposit, an increase of 38 per cent in the number of depositors and of 51 per cent in total deposits; some of this increase, however, is due to the progressive administration of the system in exploiting the banking-by-mail idea and in securing the cooperation of other governmental agencies in the gratuitous distribution of postal savings bank literature.

Complaint has been made to this committee also that some injury has been done under the law by the solicitation and exploitation of the benefits of the Postal Savings Bank System. Some object to that solicitation; but after consultation with some of the gentlemen connected with our general work, we felt it would be unwise and hardly fair to object in the name of the association to this method of exploiting the postal savings banks law, inasmuch as we feel that our own interests will not thereby be disturbed. These methods, through drawing public attention to the subject of saving and in thus accentuating the importance of thrift, are helpful means of promoting the cause for which this section stands, and in the opinion of your committee have not wrought any damage to our members.

However, we must at all times keep a watchful eye upon the constantly recurring efforts to amend the postal savings law. We should be broad enough to cooperate in making any changes for the common good, but should carefully guard the interests we represent from governmental encroachment.

Respectfully submitted.

EDWARD L. ROBINSON,
R. F. SAUL,
WM. E. KNOX,
Committee.

(Mr. Edward L. Robinson is the vice president of the Eutaw Savings Bank, of Baltimore, Md.; Mr. R. F. Saul, president of the Home Savings Bank, Washington, D. C.; and Mr. William E. Knox, comptroller of the Bowery Savings Bank, New York City.)

On the whole, this is favorable to the increase of the limit, but it is strongly in favor of the provision that these funds may be deposited in State banks. As I have said, it appears to me, and I submit to the House, that it would be advisable to pass this bill in the form substantially that it was passed by the last Congress and give the President and the Secretary of the Treasury opportunity to again consider it. They ought to reconsider it, because, as I say, in the first place, it confers a dangerous authority to withdraw millions and millions of dollars from State banks now, and perhaps would be regarded as a direction to that effect if we act favorably on this bill. In the next place, it is in line with the policy of the Postal Savings System to keep the money in the locality where it originates. As pointed out by my distinguished friend from Georgia [Mr. CRISP] the other day, a town there to which he referred has 12,000 inhabitants or more and has three or four State banks and no National banks, and none of the State banks a member of the Federal Reserve system. In that case it would require the money to be sent to a distant point, although they were ready to give absolute security in the shape of municipal bonds, supported by the taxing power.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. STEENERSON. Certainly.

Mr. STAFFORD. Does not the gentleman's amendment change existing law in this particular? Under existing law 30 per cent of the postal savings funds are available by the board of trustees for investment in Government bonds and postal savings bonds and 65 per cent are to be deposited in local State banks, subject to the call of the President for use of the Government, whereas the gentleman's amendment provides that the funds shall only be utilized by the Government of the United States when an exigency exists.

Mr. STEENERSON. I believe that is the language of the law. Mr. STAFFORD. This amendment was added in the Senate and agreed to in conference, and I fought it here in company with others.

Mr. STEENERSON. I stand corrected, but anyway it is the judgment of both Houses of Congress that this was the wise thing to do, and it is the last judgment expressed by the legislative branch of the Government. The conference report was agreed to by the House. It was passed by both Houses. It is certified, as can be seen on the veto message, by the Speaker and the Vice President, and was complete, so far as the legislative branch was concerned, and was vetoed, as I have stated. I believe we ought to give the Executive a chance to reconsider the proposition.

The SPEAKER. The time of the gentleman from Minnesota has again expired.

DISTRICT OF COLUMBIA (H. DOC. NO. 495).

Mr. GARD rose.

The SPEAKER. For what purpose does the gentleman from Ohio rise?

Mr. GARD. Mr. Speaker, I ask to be permitted at this time to submit the unanimous report of the joint select committee appointed pursuant to the act of Congress of March 3, 1915, to determine the fiscal relations between the United States and the District of Columbia, and also to submit therewith the separate report of Senator WORKS, a member of the committee.

The SPEAKER. The Clerk will report it by title.

The Clerk read as follows:

Report of the joint select committee appointed pursuant to the act of Congress of March 3, 1915, to determine the fiscal relations between the United States and the District of Columbia.

The SPEAKER. It will be referred to the Committee on the District of Columbia and ordered printed.

POSTAL SAVINGS BANKS.

Mr. STEENERSON. Mr. Speaker, I desire to ask for three minutes more.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. STEENERSON. Mr. Speaker, in regard to minors. I made the suggestion that the increase in the limit of deposits from \$500 to \$2,000 might enable persons to deposit large amounts in the name of minor children and embarrass their creditors. I do not think that is a serious objection. I am not going to urge it now. They tell me that experience has shown—which I did not know when I made the objection—that there are no cases of that kind so far, and probably will not be in the future, and for that reason I am not urging it. The suggestion was not particularly my own, but I thought it should be submitted to the House in view of the very large increase in the limit of deposits. While it is true that it is laudable and wise to encourage saving and thrift among the young, it is also true that it is just as laudable to encourage honesty.

It is conceivable that the privilege might be abused, and if that should develop in the future it could be remedied by legislation. I am not opposed to the bill, but I believe it would be a better bill if some such amendment as I have offered were agreed to.

Mr. MOON. Mr. Speaker, I make the point of order to the amendment offered by the gentleman from Minnesota as not germane.

Mr. MANN. Will the gentleman withhold his point of order for a few minutes?

Mr. MOON. Very well. How long does the gentleman desire me to withhold it?

Mr. MANN. I would like to have five minutes.

Mr. MOON. All right.

Mr. MANN. Mr. Speaker, this bill is a rather simple proposition. Under the existing law the postal savings depositors can only have \$500 to their credit exclusive of interest. This bill proposes to raise that amount to \$1,000, which may draw interest, and an additional \$1,000 which will not draw interest. I can see no possible objection to the provisions of the bill, so I would be very glad indeed, if it were practicable, to have a provision inserted in the bill such as was carried in the original postal savings bank law authorizing the deposit of savings in

State as well as National banks. That was really a part of the compromise agreement in the House at the time the postal savings bank bill became a law.

For years there has been a controversy as to how the money should be invested by the Government when it accepted savings, and it was finally determined, I think very happily, that it might be invested in the local banks, both National and State. When the Federal reserve act was passed, the people urging that act were then desirous of compelling or urging all of the State banks that they could possibly get to come into the Federal reserve system, and they provided that those savings bank deposits could only be placed in members of the Federal reserve bank system. We passed an act a year ago changing that in connection with the provisions of this bill authorizing an increase of the savings that they might be deposited in State banks as well as National banks, going back to the original State bank act. The Federal Reserve Board itself had just taken their offices. They did not know how much it might be necessary to have as part of the system the State banks, and they were then using every effort possible to force the State banks into the Federal reserve system. I do not think they are so insistent now as they were then, and on their advice when the bill was passed in the last Congress the President vetoed the bill.

Now, I am not in favor of accepting the amendment of the gentleman from Minnesota [Mr. STEENERSON] at this time. I do not think that where the President has vetoed a simple bill like this we should send it to him again in the same form it was sent to him before. We ought to respect his veto, so I think that gentlemen here who are interested in having these deposits in the State banks ought to confer with the members of the Federal Reserve Board and see whether they can not remove their opposition to the deposit of these funds in State banks as well as National banks. It is quite evident that the State banks generally throughout the country are not coming into the Federal reserve system, and the only reason they offered for refusing to permit those deposits in the State banks was to force them into the system. Now, as they are not coming into the system, I think everybody will admit that where we accept postal savings bank deposits in the towns throughout the country those deposits should be deposited in the local banks in those towns and not force their removal somewhere else to a national bank; but for the present I do not believe we ought to endanger or encumber the bill by adding to its provisions such an amendment.

The SPEAKER. The gentleman from Tennessee [Mr. MOON] makes the point of order against the amendment of the gentleman from Minnesota that it is not germane.

Mr. STEENERSON. Does the gentleman desire to argue that?

Mr. MOON. No; I do not think it is susceptible of argument. It is not germane, because this is simply a proposition to limit the deposits. The gentleman's provision goes not only to the control of the reserve system, but to the interest that may be taken and the amount that must be held in reserve by the department, which is altogether a different proposition.

Mr. STEENERSON. In answer to the gentleman, I wish to appeal from the decision of the gentleman from Tennessee now to his decision in the last Congress. He introduced a bill containing both provisions. His bill was vetoed because of one provision, and now this amendment restores his own bill to that status.

Mr. MOON. Will the gentleman from Minnesota allow me to interrupt him?

Mr. STEENERSON. Yes.

Mr. MOON. The gentleman is entirely mistaken. That was a part of the bill then and, of course, it was in order; and I was for it then, and I would be for it now under proper circumstances.

Mr. STEENERSON. I do not suggest anything different. You were authority, and the gentleman, then, must have thought it germane.

Mr. MOON. It was in the bill. Of course, it was germane then. But it is not in the bill now.

Mr. STEENERSON. Well, it relates to the Postal Savings System and is certainly very closely connected, and I submit to the Speaker that the point is not well taken. I do not wish to delay matters by argument.

The SPEAKER. The Moon bill contains one simple proposition, and that is to increase the amount that can be deposited. That is the only subject there is in the bill. The amendment of the gentleman from Minnesota [Mr. STEENERSON] is entirely different from that. It treats of regulations and rates of interest and all the rest. The point of order is sustained.

Mr. HOWARD and Mr. BENNET rose.

The SPEAKER. The Chair promised to recognize the gentleman from Georgia [Mr. HOWARD] to offer a substitute.

Mr. HOWARD. I offer the substitute which I send to the Clerk's desk.

The SPEAKER. Does the gentleman from Missouri [Mr. LLOYD] reserve recognition on this bill?

Mr. LLOYD. I do.

The SPEAKER. The Clerk will read the substitute.

The Clerk read the substitute in part.

Mr. MOON. Mr. Speaker, enough of that substitute has been read to show that it is not in order. I make the point of order against the amendment.

The SPEAKER. The gentleman from Tennessee [Mr. MOON] makes the point of order that the substitute is not germane. The Chair will hear the gentleman from Georgia [Mr. HOWARD].

Mr. HOWARD. Mr. Speaker, the part of the bill that the gentleman has made the point of order against is the exact language of the existing law. The length of this substitute would not affect its germaneness at all. The main provision in this substitute is the fact that the present bill under consideration limits the amount upon which interest is paid and then provides for an amount upon which no interest is paid, and states the amount of interest to be paid, and so forth. The substitute that I offer reenacts the law of 1910 in substance, and simply takes off the limitation upon deposits.

The SPEAKER. If the gentleman from Georgia would offer an amendment or a substitute embracing the last statement that he made, the Chair would rule that that was germane.

Mr. HOWARD. That is exactly what it does.

The SPEAKER. I know; but his substitute has a whole lot of provisions in it that have nothing to do in the world with the amount of money to be deposited.

Mr. HOWARD. I understand, sir. That is true, but it is put in operation. In other words, it is an improvement, I submit, on the act of 1910, and in a large portion it is a reenactment of the law of 1910, using the identical language. The main provision of this substitute is the fact that the limit upon which interest is paid is entirely removed, and that is germane, I submit, Mr. Speaker, to the pending measure. I think if the Speaker will hear the substitute read in full he will agree with me as to the germaneness of it.

The SPEAKER. The Chair has heard enough of it read and has read enough of it to know that it is a general bill on the subject of postal savings banks. It might be the best bill that has been written since the beginning of time.

Mr. HOWARD. I think it is, Mr. Speaker.

The SPEAKER. And every man in the House might be in favor of it, but at the same time it is not germane to the proposition that is brought in here by the Committee on the Post Office and Post Roads. If the gentleman will take his substitute and offer that provision to take the limit off of deposits, the Chair would unhesitatingly rule that that is in order; but as it stands it is clearly not germane to the proposition pending.

Mr. HOWARD. The Speaker would not permit my colleagues the enjoyment that they would receive by reading this bill in the Record. I would like to get the verbiage of it in the Record. That is really a great portion of my purpose. I ask—

Mr. MANN. Ask unanimous consent.

Mr. HOWARD. I ask unanimous consent, Mr. Speaker, to save time, that this be printed in the Record.

The SPEAKER. The gentleman from Georgia asks unanimous consent that the substitute offered by him may be printed in the Record. Is there objection?

There was no objection.

The bill, offered as a substitute, is as follows:

A bill (H. R. 6812) to establish postal savings banks, to enable the Government to borrow money directly from the people, and to market its bonds directly to the people in small and varying denominations through the medium of the post office, and for other purposes.

Be it enacted, etc., That there be, and is hereby, created a board of trustees for the control, supervision, and administration of the postal savings depository offices designated and established under the provisions of this act, and of the funds received as deposits at such postal savings depository offices by virtue thereof. Said board shall consist of the Postmaster General, the Secretary of the Treasury, and the Attorney General, severally, acting ex officio, and shall have power to make all necessary and proper regulations for the receipt, transmittal, custody, deposit, investment, and repayment of the funds deposited at postal savings depository offices.

The board of trustees shall submit a report to Congress at the beginning of each regular session showing by States and Territories (for the preceding fiscal year) the number and names of post offices receiving deposits, the aggregate amount of deposits therein, and withdrawals therefrom, the number of deposits made in each, the total amount standing to the credit of all depositors at the conclusion of the year, the amount of the interest due thereon, the amount of such deposits at interest, the amount of interest received thereon, the amount of interest paid thereon, and the number and amount of unclaimed

deposits. Also the amount of extra expense of the Post Office Department and the Postal Service incident to the operation of the postal savings depository system, and all other facts which it may deem pertinent and proper to present.

Sec. 2. That provisions of section 3 of the act of July 5, 1884, entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1885, and for other purposes," are hereby extended and made applicable to all official mail matter pertaining to the business of the Postal Savings System.

Sec. 3. That with the object of promptly establishing postal savings depository offices at every post office in the United States the said board of trustees is hereby directed to designate as rapidly as possible post offices to be postal savings depository offices: *Provided*, That within one year from the date of the approval of this act every post office in the United States shall be so designated, and each and every post office so designated by order of said board is hereby declared to be a postal savings depository office within the meaning of this act, and to be authorized and required to receive deposits of funds from the public and to account for and dispose of the same according to the provisions of the act and the regulations made in pursuance thereof. Each postal savings depository office shall be kept open for the transaction of business during such hours as the Postmaster General, with the approval of the board of trustees, shall direct.

Sec. 4. That deposits may be made in any postal savings depository established under this act by any person of the age of 10 years or over, in his or her own name, and by a married woman in her own name and free from any control or interference by her husband.

Sec. 5. That the postmaster at a postal saving depository shall, upon the tendering of a deposit under this act, deliver to the depositor, free of cost, as an evidence of his deposit, a United States Government coupon bond, substantially of the size of the present paper currency, to be designated as a postal savings bond. Such bond shall be issued in the amount of the deposit: *Provided*, That no single bond shall exceed the value of \$100: *Provided further*, That any number of such bonds may be issued to the same person to represent the amount of his or her deposit. All such bonds shall bear interest at the rate of 2 per cent per annum from the date of such deposit. Such interest shall be payable semiannually and shall be represented by coupons of the same size as the bonds, attached to the bond, maturing at intervals of six months, each for 1 per cent of the face of the bond. The said bonds shall be made payable to the depositor by inserting his name in writing on the face of the bond, or, at the option of the depositor, to bearer, and shall be payable at any time on demand at the post office of issue or at the Post Office Department, Washington, D. C., upon presentation of the bond properly indorsed (unless payable to bearer), with all unmaturing coupons attached, likewise properly indorsed, unless payable to bearer. The coupons attached to such bonds shall be readily detachable and shall be payable on demand on or after their due date at the post office of issue or at the Post Office Department, Washington, D. C. The coupons attached to said bonds shall be made payable to bearer, unless the depositor requests that they be restricted, in which case they shall be made payable to the depositor by name.

The number of coupons to be attached to each of such bonds shall not be less than two, and such larger number as may be determined by the board of trustees. Each of said bonds shall bear a serial number. Upon the bond shall be shown the amount of deposit or face value of the bond, the date of such deposit or the date of issue of the bond, the value of each coupon attached to the bond, and the due date of the last maturing coupon attached to the bond at the time of its issue. Upon each coupon shall be shown the value of the coupon and its due date, as well as the amount of the deposit or the face value of the bond, and the date of the deposit or the date of issue of the bond.

Upon the delivery of such coupon bond as an evidence of deposit, the postmaster issuing the same shall take three similar receipts, or a receipt in triplicate, from the depositor. Each of these receipts shall show the amount of deposit or face value of the bond, the date of deposit or date of issue of the bond, the value of each coupon attached to the bond, and the due date of the last maturing coupon. Of these three receipts one shall be retained at the post office of issue and filed numerically, according to the serial number of said bond. The other two signature cards shall be forwarded on the day of issue to the Postmaster General, who shall file one of them numerically and the other alphabetically. On each bond, coupon, and signature card shall appear the name or serial number of the post office of issue and the serial number of the bond.

The forms of coupon bonds shall be prepared by or under the direction of the Postmaster General, and shall be delivered to the postmaster at each post office as required, under rules to be adopted by the board of trustees.

Sec. 6. That bonds, as described in section 5, shall be issued only in denominations of \$1 or multiples of \$1: *Provided*, That in order that smaller amounts may be accumulated for deposit any person may purchase for 10 cents from any depository office a postal savings card, to which may be attached specially prepared adhesive stamps, to be known as postal savings stamps; and when the stamps so attached amount to \$1 or a larger sum in multiples thereof, including the 10-cent postal savings card, the same may be accepted as cash, and when a card and stamps thereto attached are accepted as a deposit the postmaster shall immediately cancel the same. It is hereby made the duty of the Postmaster General to prepare such postal savings cards and postal savings stamps of denominations of 10 cents, and to keep them on sale at every postal savings depository office, and to prescribe all necessary rules and regulations for the issue, sale, and cancellation thereof.

No interest shall be paid on fractions of a dollar, nor shall any interest be paid for a shorter period than six months. Interest shall be paid only upon the surrender of mature coupons at or after their due date.

Sec. 7. That any depositor may withdraw the whole or any part of the funds deposited to his or her credit, with the interest due thereon (as shown by due or past due coupons), upon demand upon the presentation at the post office of issue or at the Post Office Department, at Washington, D. C., of the postal savings bond representing such deposit, with all unmaturing coupons attached, the bond and coupons so surrendered being properly indorsed (when not payable to bearer) in accordance with their terms, under such regulations as the board of trustees may prescribe. In case of a partial withdrawal the new postal savings bond issued to represent the balance remaining on deposit may be so dated as to allow interest on such balance from the date of its original deposit, under such regulations as the board of trustees may prescribe.

Withdrawals shall be charged against and eventually paid from the deposits in the State or Territory, so far as the postal funds on deposit

in such State or Territory may be sufficient for the purpose, and, so far as practicable, shall be charged against and eventually paid from the deposits in the community in which the deposit was made. No bank in which postal savings funds shall be deposited shall receive any exchange or any other fees or compensation on account of the cashing or collection of any bonds, coupons, or checks, or the performance of any other service in connection with the postal savings depository system.

Sec. 8. That postal savings funds received under the provisions of this act shall be deposited in solvent banks, whether organized under National or State laws, being subject to National or State supervision and examination, and the sums deposited shall bear interest at the rate of not less than 2½ per cent per annum, which rate shall be uniform throughout the United States and Territories thereof. The board of trustees shall take from such banks such security, in public bonds or other securities supported by the taxing power, as the board may prescribe, approve, and deem sufficient and necessary to insure the safety and prompt payment of such deposits on demand. The funds received at the postal savings depository offices, in each city, town, village, and other locality shall be deposited in banks located therein (substantially in proportion to the capital and surplus of each such bank) willing to receive such deposits under the terms of this act and the regulations made by authority thereof, but the amount deposited in any one bank shall at no time exceed the amount of the paid-in capital and one-half the surplus of such bank. If no such bank exist in any city, town, village, or locality, or if none where such deposits are made will receive such deposits on the terms prescribed, then such funds shall be deposited under the terms of this act in the bank most convenient to such locality. If no such bank in any State or Territory is willing to receive such deposits on the terms prescribed, then the same shall be deposited with the treasurer of the board of trustees and shall be counted in making up the reserve herein provided for.

Such percentage of said deposits as the board of trustees may from time to time designate, not to be less than 5 per cent and not to exceed 25 per cent of the total postal savings deposits, may be withdrawn by said board of trustees and deposited in lawful money and maintained with the Treasurer of the United States, who shall be treasurer of the board of trustees. Of the amount so deposited 5 per cent of the total postal savings deposits shall be held as a reserve and the balance held by said Treasurer of the United States shall serve as a working balance out of which to pay current withdrawals on bonds and coupons presented for payment at the Post Office Department, Washington, D. C., and for other purposes herein set out. The Treasurer may deposit such funds, or any part thereof, with a Federal reserve bank or banks, selected by the board of trustees, at the same rate of interest as is paid by other banks on postal savings deposits, such deposits with Federal reserve bank or banks to be otherwise on the same basis as other Government deposits with said banks. Or such deposits, or a part of them, may be deposited with member banks of the Federal reserve banks, selected from time to time by the board of trustees and changed by the board of trustees as it deems wise, so as to facilitate the handling of the postal savings business in the various parts of the country. But deposits of such funds by the Treasurer with member banks shall be on the same terms as are provided herein for local deposits of postal savings funds as to security required, limitation of amount, and interest charged.

Such funds may be withdrawn from the treasurer of said board of trustees and all other postal savings funds, or any part of such funds may be at any time withdrawn from banks and savings depository offices for the repayment of postal savings depositors, when required for that purpose. Any part of the amount deposited with the Treasurer of the United States, except 5 per cent of the total postal savings deposits, which shall always be maintained by the Treasurer as a reserve, may be withdrawn for the purpose of purchasing and retiring any of the long-term bonds of the United States now or hereafter outstanding; or may be used for such purposes as Congress may hereafter decide; or may be withdrawn and used in time of war or public calamity or pestilence for the needs of the United States, but then only by the direction of the President, and only when in his judgment the general welfare and the interests of the United States so require. Interest and profit accruing from the deposit or investment of postal savings funds shall be applied to the payment of interest due to postal savings depositors as hereinbefore provided, and the excess thereof, if any, shall be covered into the Treasury of the United States as part of the postal revenue: *Provided*, That postal savings funds in the treasury of said board shall be subject to disposition as provided in this act, and not otherwise. For the purposes of this act the word "Territory," as used herein, shall be held to include the District of Columbia, the District of Alaska, and Porto Rico, and the word "bank" shall be held to include savings banks and trust companies doing a banking business.

Sec. 9. That any holder of postal-savings coupon bonds issued under this act, of the aggregate value of more than \$100, may at any time surrender the same and receive in lieu thereof postal-savings coupon bonds in denominations of over \$100 and not exceeding \$1,000, to the extent of the bonds so surrendered. But such postal-savings bonds of a larger denomination than \$100 shall be issued and payable only at the Post Office Department, Washington, D. C., and shall be issued only in exchange for postal-savings bonds of smaller denomination issued under this act. Such bonds of larger denomination shall be similar to those issued by the local postal-savings depositories, except that they shall have a maximum value of \$1,000 instead of \$100. The board of trustees shall prescribe the rules and regulations under which such exchange can be effected.

Sec. 10. That postal-savings depository funds shall be kept separate from other funds by postmasters and other officers and employees of the Postal Service, who shall be held to the same accountability under their bonds for such funds as for public moneys; and no person connected with the Post Office Department shall disclose to any person other than the depositor the amount of any deposits unless directed so to do by the Postmaster General. All statutes relating to the safe-keeping of and proper accounting for postal receipts are made applicable to postal-savings funds, and the Postmaster General may require postmasters, assistant postmasters, and clerks at postal-savings depositories to give any additional bond he may deem necessary.

Sec. 11. That postmasters, assistant postmasters, clerks, or other employees at post offices of the presidential grade, and postmasters at post offices of the fourth class, shall not be allowed or paid any additional compensation for the transaction of postal-savings depository business.

Sec. 12. That the sum of \$100,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, or so much thereof as may be necessary, to enable the Postmaster General and the board of trustees to establish postal savings depositories in accordance with the provisions of this act, and to substitute the coupon bonds herein described for the certificates now outstanding as an evidence of

postal savings deposits, including the reimbursement of the Secretary of the Treasury for expenses incident to the preparation, issue, and distribution of the bonds authorized in this act; and the Postmaster General is authorized to require postmasters and other postal officers and employees to transact, in connection with their other duties, such postal savings depository business as may be necessary; and he is also authorized to make and, with the approval of the board of trustees, to promulgate, and from time to time to modify or revoke, subject to the approval of said board, such rules and regulations, not in conflict with law, as he may deem necessary to carry the provisions of this act into effect.

Sec. 13. That all the safeguards provided by law for the protection of public moneys and all statutes relating to the embezzlement, conversion, improper handling, retention, use, or disposal of postal money-order funds, and the punishments provided for such offenses, are hereby extended and made applicable to postal savings depository funds, and all statutes relating to false returns of postal and money-order business, the forgery, counterfeiting, alteration, improper use, or handling of United States bonds, postal and money-order blanks, forms, vouchers, accounts, and records, and the dies, plates, and engravings therefor, with the penalties provided in such statutes, are hereby extended and made applicable to postal savings depository business, and the forgery, counterfeiting, alteration, improper use, or handling of postal savings depository blanks, bonds, forms, vouchers, accounts, and records, and the dies, plates, and engravings therefor.

Sec. 14. That the faith of the United States is solemnly pledged to the payment of the deposits made in the postal savings depository offices, with interest thereon as herein provided.

Sec. 15. That the final judgment, order, or decree of any court of competent jurisdiction, adjudicating any right or interest in the credit of any sums deposited by any person with a postal savings depository, if the same shall not have been appealed from and the time for appeal has expired, shall, upon submission to the Postmaster General of a copy of the same, duly authenticated in the manner provided by the laws of the United States for the authentication of the records and judicial proceedings of the courts of any State or Territory or of any possession subject to the jurisdiction of the United States, when the same are proved or admitted within any other court within the United States, be accepted and pursued by the board of trustees as conclusive of the title, right, interest, or possession so adjudicated, and any payment of said sum in accordance with such order, judgment, or decree shall operate as a full and complete discharge of the United States from the claim or demand of any person or persons to the same.

Sec. 16. That all acts and parts of acts in conflict herewith, and particularly of the act approved June 25, 1910, entitled "An act to establish postal savings depositories for depositing savings at interest with the security of the Government for repayment thereof, and for other purposes," be, and are hereby, repealed.

The SPEAKER. The point of order is sustained.

Mr. MOON. Did I understand the gentleman from Georgia [Mr. HOWARD] to say that his only purpose was to get it in the Record?

Mr. HOWARD. No; but so my colleagues can be enlightened on this postal savings bank proposition. They have had no light up to date.

Mr. LLOYD. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman from Missouri rise?

Mr. LLOYD. I move to strike out the last word.

Mr. Speaker, the pending bill has no purpose except to change the amount that may be deposited in postal savings banks and to authorize that amount to be deposited in different sums from those which the law now permits. At the present time no individual can deposit more than \$100 in any one month or more than \$500 in any one year. If this bill becomes a law an individual may deposit \$2,000, \$1,000 of which will draw interest at the existing rate, and the other \$1,000 will draw no interest. When the original postal savings bank proposition was before this House for consideration there was serious opposition on account of what was supposed would be injury to the banks of the country. The opposition that was presented was the opposition of the banks, but at the present time the banks are not even opposing this proposed amendment to the existing law. They have discovered that the Postal Savings Bank System is a benefit to them and to the country, in that it is taking money that is now in hiding, that is not now in circulation, and placing it in circulation so that it may be useful to the country. In order that you may understand that the banks are not opposed to this measure or the present Postal System, I wish to call your attention to what was done at the meeting of the American Bankers' Association.

Evidence of the reasonableness of the pending bill from a banker's viewpoint is found in a report by a special committee on postal-savings legislation to the savings banks section of the American Bankers' Association at its national convention last spring at Seattle. In discussing this very bill the committee said:

The limitation of \$500, therefore, still exists, but it is understood that the Sixty-fourth Congress will enact legislation raising the limit of interest-bearing deposits to \$1,000 and giving discretionary powers to the board of trustees to accept an additional \$1,000 without interest; from the knowledge acquired by your committee in its efforts to have the original bill amended and from a frank interchange of views with the Director of the Postal Savings System we feel that the desire of the trustees for this increase of authority is not unreasonable and will not work any hardship upon our savings banks. We have been assured that it is not the policy of the Postal Savings System to compete with the existing agencies for saving, but en-

deavors only to supplement them, and in so far as we are able our members should cooperate with every effort to cultivate the thrift habit of our people.

This shows very clearly that the bankers who have looked into this matter are not opposed to the suggested amendment.

Mr. STEENERSON. Mr. Speaker, will the gentleman yield?

Mr. LLOYD. Yes.

Mr. STEENERSON. That same committee favors the change of the law so as to allow the funds to be deposited in the State banks which are not members of the Federal reserve system?

Mr. LLOYD. The question whether the moneys shall be deposited in the State banks is not now before us for consideration. It was before the House for consideration in a bill which was passed by the last House.

Mr. STEENERSON. They do favor that, do they not?

Mr. LLOYD. I am not sure whether they do or do not.

Mr. Speaker, this bill will have the effect of increasing the deposits in the postal savings banks of the country. At the present time there is about \$75,000,000 deposited in the postal savings banks. I realize that the suggestion that is made by my friend from Minnesota [Mr. STEENERSON] that the money ought to be deposited in the State banks is a matter of general concern; but, on the other hand—

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. RUSSELL of Missouri. Mr. Speaker, I ask unanimous consent that the time of my colleague be extended five minutes.

The SPEAKER. The gentleman from Missouri [Mr. RUSSELL] asks unanimous consent that the time of his colleague [Mr. LLOYD] be extended five minutes. Is there objection?

There was no objection.

Mr. LLOYD. But, on the other hand, this is not, when seriously considered, an important matter. The money that is deposited in the postal savings banks of the country is deposited in the cities and not in the country districts. This provision will not affect any State savings institutions in any country districts in the United States unless it be in a community in which there is a large number of persons of foreign birth. In nearly every district of the United States where there are no towns of populations of more than 5,000 inhabitants there are no deposits of consequence in the postal savings banks.

Mr. BORLAND. Mr. Speaker, will the gentleman yield there?

The SPEAKER. Does the gentleman from Missouri yield to his colleague?

Mr. LLOYD. Yes.

Mr. BORLAND. Is it not also true, I will ask my colleague, that the laborers of foreign birth in the great cities who use the postal savings banks would otherwise send their money abroad by postal notes and money orders?

Mr. LLOYD. Yes; and that is a point I was going to make.

Mr. BORLAND. They sent their money out of the country before we had the postal savings banks, and now they are being encouraged to deposit their savings in the postal savings banks here.

Mr. LLOYD. Yes. The object is to encourage them to patronize Postal Savings System to a greater extent. If we did not have the Postal Savings System a large amount of this money now in savings banks would have been sent abroad, and the rest of it would have remained in hiding. There are two classes of money that go into the postal savings banks. One class is the money that comes out of hiding and is placed in the postal savings banks, and the other is the money sent abroad, money that would be sent abroad by the individual who earns the money and has the savings in the United States.

This bill was favored by the President of the United States when he vetoed the bill that was pending before him in the last Congress. This particular measure has been favored by the President of the United States, is favored by the Postmaster General, and is urged by the Third Assistant Postmaster General, who has general supervision of postal savings matters. And in this connection I wish to say with reference to him that he is a banker. He is connected with the money interests of Missouri, and you can be readily assured that he is not going to favor any system that in his judgment will in any way interfere with the business interests of the United States. He is very anxious about the passage of this measure because he thinks it will add largely to the amount that will be deposited in these banks and will take out of hiding at least \$75,000,000 more of the money that is now withdrawn from circulation.

Mr. Speaker, this bill, as I was explaining, is indorsed by everyone that has been connected in any way with the investigation of the subject. It is indorsed by the Committee on the Post Office and Post Roads of the House. It is indorsed by the executive branch of the Government. It is indorsed by the

banks. It is urged by the people, and it is insisted upon by those who desire to deposit their money in these institutions. [Applause.]

Mr. KEATING. Mr. Speaker, the gentleman from Missouri [Mr. LLOYD] has just made an argument in favor of his bill which, it seems to me, should cause the House to give very serious consideration to an amendment to take off the limit controlling the deposits in the postal savings banks. We are assured that the bankers are satisfied with this bill; that their interests have been safeguarded; that a committee of bankers has gone over this proposition and has consulted with the officials of this Government; and we have been assured that it is not the intention of anyone connected with the Post Office Department to do anything which will injure the banking interests of this country.

Mr. Speaker, I am not so much concerned about the effects of this legislation upon the banking interests of this country. I am concerned about the effect of this bill upon the men who want to put their savings in a place where they will be secure. I hold that the Government of the United States should provide a place where those who, through thrift and self-sacrifice, have succeeded in getting together a few dollars may place that money with some assurance that it will be returned to them.

I live in an industrial community, a city of 60,000 people, the greatest industrial community in my State. We have had two bank failures in that city. One bank failure involved 6,000 depositors, most of them poor men or those in very humble circumstances. I want a law that will protect those men, and I do not want the Congress of the United States to give so much consideration to what will benefit the bankers and so little consideration to what will benefit the depositors. If we had had a proper Postal Savings System, the workingmen of my home town would have had a place where they might have put their savings. As it was, the postmaster of my town has assured me that men have come to him and literally with tears in their eyes have begged him for permission to put their deposits in Uncle Sam's savings bank, and the postmaster has been compelled to deny them that privilege. I say, gentlemen, that that permission should not be denied by this Congress, and particularly should not be denied by the Democratic side of this Congress; and I trust the gentleman from Georgia [Mr. HOWARD], before we adjourn to-day, will give us an opportunity to vote on a proposition which will absolutely remove the limit, and give the people of the United States a real Postal Savings System, and not the fake system which we have on the statute books to-day.

Mr. HULBERT. Mr. Speaker, I desire to offer the amendment which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Mr. HULBERT moves to amend by striking out the words "but upon which no interest shall be paid" in lines 3 and 4, page 2, and insert in place and stead thereof the words "upon which interest may be paid."

Mr. HULBERT. Mr. Speaker, I am not opposed to the principle of this bill. I have heard it stated here in the debate that the amount of \$2,000 fixed in the bill as the limit of deposits is an arbitrary amount, but I have heard no explanation offered for the division of \$1,000 upon which interest may be paid, and the reception of additional deposits not to exceed in the aggregate \$1,000 upon which interest shall not be paid. On the other hand, it is provided by the bill "that the board of trustees may, in their discretion" receive the additional deposits, so that the reception of the additional \$1,000 is entirely discretionary with the board, and it can only be received "under such regulations as the board may promulgate" as to additional deposits, not to exceed in the aggregate \$1,000. Therefore I have proposed the amendment in order that, if it shall appear in the discretion of the board of trustees desirable at any time to allow and make payment of interest upon the additional \$1,000 as the growth of the postal savings bank system progresses, the board shall have the power to promulgate a rule under which that can be done. Otherwise, if the board of trustees should so determine, their decision would necessarily await the consequent delay of further legislation before it could be put into operation.

Mr. HOWARD. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman rise?

Mr. HOWARD. I desire to offer an amendment.

The SPEAKER. There is one amendment pending. The question is on the amendment of the gentleman from New York [Mr. HULBERT].

The question being taken, on a division (demanded by Mr. HULBERT) there were—ayes 51, noes 79.

Accordingly the amendment was rejected.

Mr. HOWARD. Mr. Speaker, I offer the following amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HOWARD:

Page 1, line 9, after the word "payable," insert the words "shall be unlimited," and strike out the remainder of the bill.

Mr. HOWARD. Mr. Speaker, I desire to address myself to the amendment.

Mr. Speaker and gentlemen of the House, I want to call attention to one proposition in this bill that I do not think anybody has discussed.

When the European war broke out, England had in her postal savings deposits about \$892,000,000, and she had what is commonly known in banking circles in the United States as the "pass-book" system as a method of evidencing these deposits. In the calculation of interest upon these deposits, it was found necessary to employ 4,068 clerks to keep the interest accounts of the postal savings depositors in the main office.

If this amendment is passed limiting the amount to \$1,000 upon which interest shall be paid and then placing a limit on the amount that can be deposited upon which no interest is paid, it will be absolutely necessary that the force in the postal savings banks shall not only be as great as the number employed in England, because we have the additional certificates rather than the pass-book system, but you have got to keep one set of bookkeepers to keep the interest accounts of the depositor upon which you do pay interest and then you have got to keep another set of bookkeepers to keep the account upon which you do not pay any interest. The result will be that the depositor will naturally draw his money from his live account. Then the bookkeepers must transfer to the live account a portion of the deposit that is on the noninterest-bearing account.

Mr. COOPER of Wisconsin. Will the gentleman yield for a question?

Mr. HOWARD. With pleasure.

Mr. COOPER of Wisconsin. The gentleman speaks of the necessity of having two sets of bookkeepers. Why could not one set of bookkeepers keep both accounts?

Mr. HOWARD. I mean that they will need twice as many bookkeepers to keep two different accounts. If the gentleman knows anything about bookkeeping, he knows that that is true, that if you have twice as many accounts to keep you have got to have twice as many bookkeepers to keep them.

Mr. COOPER of Wisconsin again rose.

Mr. HOWARD. Will the gentleman permit me—

The SPEAKER. Does the gentleman from Georgia yield?

Mr. HOWARD. In just a moment I will yield.

Here is a man who puts in \$1,000, and he puts it in \$50, or \$60, or \$100 at a time. You are keeping books on him to see when he reaches the point where the Government refuses to pay interest under the law. Then he is withdrawing deposits all the time, and you are keeping a system of books against him to see when the limit of his interest-bearing account has reached the point where you do not pay interest and where the non-interest-bearing account begins. It is absolutely absurd as a matter of principle, and any man within the sound of my voice who knows anything at all about modern bookkeeping, and who has ever kept anything except a single-entry set of books, knows that the statement I make is absolutely true. Now, you are placing the Government in the absurd position of employing at least a third more men than are necessary in the postal savings bank to keep these accounts.

Furthermore, it is absurd to limit the amount of money that can be deposited in the postal savings bank. If a citizen wants to deposit his money with the Government of the United States at 2 per cent, and the Government can turn around and deposit that money at 2½ per cent, why do you want to pass a law to prevent that man from depositing his money with the Government? The Government loses nothing. It encourages savings; it brings larger sums of our circulating medium into the legitimate channels of commerce, and eventually benefits the whole people in every walk of life.

Mr. BORLAND. The gentleman was speaking of the absurdity of paying interest on only a part of the money deposited. Does not every savings bank in the country do that very thing?

Mr. HOWARD. I do not know, and I care nothing about what the savings banks do.

Mr. BORLAND. Do not the savings banks require the money to be on deposit 30 days?

Mr. HOWARD. Yes; and some of them six months, and some of them require a year; and some of them pay 4 per cent; and if you will take the current magazines of this country and will look at the great advertisements put in them by these savings-bank people, offering to pay 3½ and 4 per cent, you will wonder why it would not be just as well for them to have the money deposited with the postal savings bank of the Govern-

ment and then reloaned to them at 2½ per cent, and why they should not desire to have the Government accumulate the money, rather than to go into this vast advertising scheme to gather the deposits of savers throughout the country.

Mr. BORLAND. This is not raising the rate of interest.

Mr. HOWARD. The gentleman from Missouri did not understand me. The cost of accumulating the savings deposits in private institutions is at least 2½ per cent. Therefore why object to the Government doing it, when it is placed in banks at the same cost?

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. MOON. Mr. Speaker, my friend from Georgia [Mr. HOWARD] seems to be very fine on bookkeeping, but he is a little short on legislation, in my judgment. He says we are going to inaugurate a system of bookkeeping that will require double the number of bookkeepers and will double the expense. I call attention to the fact that the deposits are now at the maximum, and the cost of keeping the books is less than it was two years ago. The expenses in connection with this matter two years ago was \$205,000 and last year it was \$168,000; and yet under the anticipation of the passage of this measure the department says that they can take care of all these matters for \$161,000. There never was a better maxim than "festina lente"—let us make haste slowly. Let us go slowly in this matter. A great many believed that the postal system would be of no value; but the deposits have so increased that the Government is making a substantial profit out of it, and when we have extended the limit which the administration thinks wise for the present we think it will be sufficient. If we find that it is necessary to take the limit off afterwards, when we have operated for some time under the law as we propose, we can then take the limit off if it appears that it will be beneficial so to do, but for the present I think we had better go slowly.

Mr. HOWARD. Will the gentleman yield?

Mr. MOON. Certainly.

Mr. HOWARD. The gentleman does not argue that we should go slowly in taking the limit off of deposits for the same reason that the gentleman from Missouri [Mr. LLOYD] argued it, does he?

Mr. MOON. I do not know as to the argument of the gentleman from Missouri, but I insist that as a general proposition in legislation, the result of all mature judgment on every question of legislation is that when a new system of any kind is involved it is wise to go slowly until its value is developed and we can see what is best to be done.

Mr. SMITH of Minnesota. Mr. Speaker, I move to strike out the last word. I am in favor of the pending measure and intend to vote for it, although I wish it were more liberal. There are some things which if added would make it a better bill. The amendment proposed by my distinguished colleague from Minnesota [Mr. STEENERSON], if added to the bill, in my humble opinion would have made a better bill out of it.

Money is used either in commerce, where the returns are quick and the hazard great, or it is used in long-time investments where the returns for its use are small and the hazard practically eliminated, or it is withdrawn from use and hoarded. The Federal reserve system was inaugurated for the purpose of taking care of the commercial interests of this country and not for the purpose of taking care of the demands of the investing public. It is the commercial agent of this Government, and it deals with the commercial transactions and commercial needs of the people. The savings banks and trust companies and other financial institutions organized under State laws supply the wants of those who are seeking investments where the hazard is eliminated, though the return may be small. In perfecting the Federal reserve system the distinction between these classes was distinctly recognized and provided for by keeping the assets of the banks belonging to the Federal system liquid and eliminating everything that would in any way impair the ability of a bank belonging to the Federal reserve system to quickly convert its assets into cash.

By applying this principle to the processes of the Federal reserve system the investing public or the borrower on long-time security was deprived of any of the benefits of the system except in the case of farm loans, where an exception to this general principle was made for his benefit. Moreover, the city dweller, though having excellent real estate security to offer, is denied the privilege and opportunity of borrowing a cent on his city property from any bank belonging to the Federal reserve system.

Before the passage of the Federal reserve act postal savings were deposited in banks under Federal and State supervision, which qualified to accept them, and qualification was effected

by a bank depositing with the Treasurer of the United States approved bonds as security for the payment of postal savings deposits on demand. The Federal reserve act, which went into operation November 15, 1914, under section 15 prohibited the deposit of postal savings in any bank except those belonging to the Federal reserve system. In 1914 there were postal savings deposits of about \$43,000,000. About twenty-five millions of this amount were deposited in State banks and trust companies not member banks of the Federal reserve system. Since November 15, 1914, the date that the Federal reserve act went into effect, no postal savings deposits have been deposited by the Government in State institutions, but the surplus must be turned over to the banks belonging to the Federal reserve system.

The Sixty-third Congress passed an act repealing section 15 of the Federal reserve act, in so far as that act prohibited the depositing of postal savings funds in State institutions. The amendment now offered by the gentleman from Minnesota [Mr. STEENERSON] is identical with the bill passed by the Sixty-third Congress covering this same subject. This bill was vetoed by the President on September 11, 1914. In his message the President stated that when the Federal reserve act was passed it was thought wise to make the inducements to State banks to enter the Federal reserve system as many and as strong as possible. It was therefore provided in the act that Government funds should be deposited only in banks which were members of the Federal reserve system, and that the principle of such a provision is sound and undisputable.

From the angle at which the President was viewing the question his conclusion is sound, but the question has a much broader aspect than simply the compelling of State banks to enter the Federal reserve system, and I am confident that if the President had viewed the proposition from all its angles he would have arrived at a different conclusion.

The postal savings deposits are owned by the laboring classes residing in the industrial cities of the country. For example, 90 per cent of the postal savings deposits of the State of New York is in New York City, Brooklyn, Buffalo, Rochester, and Long Island City, and one-fourth of all the savings deposits—amounting now to \$73,000,000—is in Greater New York. In the State of Minnesota 70 per cent of the deposits is in the cities of Minneapolis, St. Paul, and Duluth. What is true of New York and Minnesota is true of every other State in the Union. If these postal savings deposits are required to be deposited in banks belonging to the Federal reserve system, which are organized and conducted solely for commercial purposes, the laboring masses of our great industrial cities who own practically all of the postal savings deposits will be unable to borrow a dollar of this money for the purpose of building or purchasing a city home.

It is an unwise policy to make all the financial institutions of the country subservient to the interests of the Federal reserve system, which is a commercial banking system only. If the Federal reserve system attempted to carry on, regulate, and control all classes of financial institutions, there would be some reason for turning over savings accounts and investment funds to that system.

When you take the deposits of savings banks and turn them over to commercial banks you are discriminating against the laboring man, because the amount of money for long-time investment is lessened. The laborer, if he borrows at all, borrows from the investment banker, not the commercial bank. The laboring man has nothing but his money, and if he loses that at any time during the progress of his savings the chances are that he will be a pauper for the rest of his life.

Mr. MOON. Will the gentleman yield?

Mr. SMITH of Minnesota. Yes.

Mr. MOON. The gentleman says the laboring man has nothing but his money. Let us concede that to be true. Is it not better for him that the deposit of his money be in a bank that is under the control of the Government, with the Government behind it?

Mr. SMITH of Minnesota. If that were all there is to the gentleman's proposition, I would say yes, but it is not. In the first place these savings are secured by municipal bonds that are based on the taxing power of the municipality that issues them. There is nothing in that proposition at all. The only reason that it was made possible to place these deposits in the Federal reserve system was to build up that system at the expense of the other systems of banking, and I say that is unfair; it is unjust.

Mr. MOON. That would not be unfair to the laborer depositor. It would be unfair to the other system of banking.

Mr. SMITH of Minnesota. Yes; and to the laborer as well.

The SPEAKER. The question is on agreeing to the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. HOWARD and Mr. KEATING) there were—ayes 16, noes 107.

Mr. KEATING. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Colorado makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and ninety-seven members present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll. The question is on agreeing to the amendment offered by the gentleman from Georgia [Mr. HOWARD].

The question was taken; and there were—yeas 31, nays 318, answered "present" 4, not voting 80, as follows:

YEAS—31.			
Caraway	Helgesen	Lindbergh	Shallenberger
Crosser	Henry	London	Shouse
Cullip	Hilliard	Mays	Siegel
Dili	Howard	Morgan, Okla.	Tavener
Doolittle	Huddleston	Moss, Ind.	Taylor, Colo.
Eagle	James	Nelson	Thompson
Emerson	Keating	Noian	Young, N. Dak.
Hayden	Konop	Ragsdale	
NAYS—318.			
Abercrombie	Dunn	Kettner	Rogers
Aiken	Dyer	Kiess, Pa.	Rouse
Alexander	Edmonds	Kincheloe	Rowe
Allen	Edwards	King	Rubey
Anderson	Ellsworth	Kinkaid	Rucker
Ashbrook	Elston	Kitchin	Russell, Mo.
Aswell	Esch	Lafean	Russell, Ohio
Austin	Estopinal	La Follette	Sabath
Ayres	Evans	Langley	Sanford
Bacharach	Farr	Lazaro	Saunders
Bailey	Ferris	Lehlbach	Schall
Barkley	Fess	Leshner	Scott, Mich.
Barnhart	Fields	Lever	Sears
Beakes	Fitzgerald	Lewis	Sells
Beales	Flood	Liebel	Sherley
Bell	Focht	Linthicum	Sherwood
Bennet	Fordney	Littlepage	Sims
Black	Foss	Lloyd	Sinnott
Blackmon	Foster	Lobeck	Sisson
Booher	Frear	Longworth	Slayden
Borland	Freeman	Loud	Slomp
Britt	Fuller	McAndrews	Sloan
Britten	Gallivan	McArthur	Small
Brown, W. Va.	Gandy	McCracken	Smith, Idaho
Browne, Wis.	Gard	McCulloch	Smith, Mich.
Brumbaugh	Gardner	McDermott	Smith, Minn.
Buchanan, Tex.	Garland	McFadden	Smith, Tex.
Burgess	Garner	McGillcuddy	Sparkman
Burnett	Garrett	McKellar	Stafford
Butler	Gillet	McKenzie	Stegall
Byrnes, S. C.	Glass	McKinley	Stedman
Byrns, Tenn.	Godwin, N. C.	McLaughlin	Steele, Iowa
Caldwell	Good	McLemore	Steele, Pa.
Callaway	Gordon	Madden	Steenerson
Campbell	Gray, Ind.	Mann	Stephens, Cal.
Candler, Miss.	Green, Iowa	Mapes	Stephens, Miss.
Cannon	Greene, Mass.	Martin	Stephens, Nebr.
Cannell	Greene, Vt.	Meeker	Stephens, Tex.
Capstick	Griest	Miller, Del.	Sterling
Carlin	Hadley	Miller, Pa.	Stines
Carter, Mass.	Hamilton, Mich.	Moon	Stone
Carter, Okla.	Hamilton, N. Y.	Mooney	Stout
Cary	Hanlin	Moore, Pa.	Sulloway
Casey	Hardy	Moores, Ind.	Sunners
Chandler, N. Y.	Harrison	Morgan, La.	Sutherland
Clark, Fla.	Hastings	Morin	Sweet
Cline	Haugen	Morrison	Taggart
Coady	Hawley	Moss, W. Va.	Tague
Coleman	Hay	Mudd	Talbott
Collier	Hayes	Neely	Taylor, Ark.
Connelly	Heaton	Nicholls, S. C.	Temple
Conry	Hedlin	Nichols, Mich.	Tillman
Cooper, Ohio	Helvering	North	Tilson
Cooper, W. Va.	Hensley	Oakey	Timberlake
Cooper, Wis.	Hernandez	Oldfield	Tinkham
Costello	Hicks	Oliver	Towner
Cox	Hill	Olney	Tribble
Crago	Holland	O'Shaunessy	Vinson
Cramton	Hollingsworth	Overmyer	Volstead
Crisp	Hood	Page, N. C.	Walsh
Curry	Hopwood	Paige, Mass.	Ward
Dale, Vt.	Houston	Park	Watson
Dallinger	Howell	Parker, N. J.	Watkins
Danforth	Hughes	Phelan	Watson, Pa.
Darrow	Hulbert	Platt	Watson, Va.
Davis, Minn.	Hull, Iowa	Pou	Webb
Davis, Tenn.	Hull, Tenn.	Powers	Whaley
Decker	Humphreys, Miss.	Price	Williams, T. S.
Dempsey	Husted	Quin	Williams, W. E.
Denison	Hutchinson	Raney	Williams, Ohio
Dent	Igoe	Raker	Wilson, La.
Dewalt	Jacoway	Ramseyer	Wingo
Dickinson	Johnson, Ky.	Randall	Winslow
Dies	Johnson, S. Dak.	Rayburn	Wise
Dillon	Johnson, Wash.	Reavis	Wood, Ind.
Dixon	Kahn	Ricketts	Wood, Iowa
Doremus	Kearns	Riordan	Young, Tex.
Doughton	Keister	Roberts, Nev.	
Dowell	Kennedy, Iowa	Rosenberg	
Drukker	Kent		
ANSWERED "PRESENT"—4.			
Browning	Hinds	Norton	Padgett

NOT VOTING—80.

Adair	Farley	Kennedy, R. I.	Porter
Adamson	Finley	Key, Ohio	Rauch
Almon	Flynn	Kreider	Reilly
Anthony	Gallagher	Lee	Roberts, Mass.
Barchfeld	Glynn	Lenroot	Rowland
Bruckner	Goodwin, Ark.	Lieb	Scott, Pa.
Buchanan, Ill.	Gould	Lofft	Scully
Burke	Graham	McClintic	Shackleford
Carew	Gray, Ala.	Magee	Smith, N. Y.
Charles	Gray, N. J.	Maher	Snell
Chipherfield	Gregg	Matthews	Snyder
Church	Griffin	Miller, Minn.	Swift
Copley	Guernsey	Mondell	Switzer
Dale, N. Y.	Hamill	Montague	Thomas
Davenport	Hart	Mott	Treadway
Dooling	Haskell	Murray	Van Dyke
Driscoll	Helm	Oglesby	Vare
Dupre	Humphrey, Wash.	Parker, N. Y.	Walker
Eagan	Jones	Patten	Wilson, Fla.
Fairchild	Kelley	Peters	Wilson, Ill.

So the amendment was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. CAREW with Mr. ROWLAND.

Mr. DOOLING with Mr. SWIFT.

Mr. BRUCKNER with Mr. SNELL.

Mr. WALKER with Mr. PORTER.

Mr. DALE of New York with Mr. GRAY of New Jersey.

Mr. SCULLY with Mr. BROWNING.

Mr. WILSON of Florida with Mr. GOULD.

Mr. BUCHANAN of Illinois with Mr. CHIPERFIELD.

Mr. MONTAGUE with Mr. GRAHAM.

Mr. LIEB with Mr. SWITZER.

Mr. FARLEY with Mr. KREIDER.

Mr. PADGETT with Mr. ROBERTS of Massachusetts.

Mr. MAHER with Mr. VARE.

Mr. REILLY with Mr. NORTON.

Mr. LEE with Mr. GUERNSEY.

Mr. GRIFFIN with Mr. SCOTT of Pennsylvania.

Mr. GALLAGHER with Mr. ANTHONY.

Mr. ADAMSON with Mr. BARCHFELD.

Mr. BURKE with Mr. CHARLES.

Mr. HAMILL with Mr. COPLEY.

Mr. DRISCOLL with Mr. FAIRCHILD.

Mr. DUPRE with Mr. GLYNN.

Mr. EAGAN with Mr. HASKELL.

Mr. FINLEY with Mr. KELLEY.

Mr. FLYNN with Mr. KENNEDY of Rhode Island.

Mr. GOODWIN of Arkansas with Mr. HUMPHREY of Washington.

Mr. GREGG with Mr. HINDS.

Mr. HART with Mr. MATTHEWS.

Mr. HELM with Mr. MAGEE.

Mr. KEY of Ohio with Mr. MILLER of Minnesota.

Mr. OGLESBY with Mr. MOTT.

Mr. PATTEN with Mr. PARKER.

Mr. MCCLINTIC with Mr. SNYDER.

Mr. SHACKLEFORD with Mr. PETERS.

Mr. SMITH of New York with Mr. TREADWAY.

Mr. VAN DYKE with Mr. WILSON of Illinois.

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MOON, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS.

Mr. STEENERSON. Mr. Speaker, I ask unanimous consent that those who have spoken on this bill may extend their remarks in the Record.

The SPEAKER. The gentleman from Minnesota asks unanimous consent that all those who have spoken on this bill may extend their remarks in the Record. Is there objection? [After a pause.] The Chair hears none.

Mr. FOSTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on this bill.

The SPEAKER. That has just been granted.

Mr. FOSTER. That was for those who have spoken.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none.

Mr. CARY. Mr. Speaker, I ask unanimous consent to extend my remarks on this bill.

The SPEAKER. The gentleman from Wisconsin [Mr. CARY] makes the same request. Is there objection? [After a pause.] The Chair hears none.

Mr. SMITH of Minnesota. Mr. Speaker, I make the same request.

The SPEAKER. That has been granted.

Mr. SIMS. Mr. Speaker, I have not spoken on this bill, but I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. The gentleman from Tennessee makes the same request.

Mr. SIMS. But not on this bill.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that on January 8, next Saturday, immediately after the morning hour, I be permitted to address the House for 15 minutes on the subject of Gen. Jackson's battle at New Orleans and the return of the Pelican flag, and I ask that the gentleman from Louisiana [Mr. ESTOPINAL] be permitted to address the House on the same subject for the same period of time.

The SPEAKER. The gentleman from Illinois [Mr. RAINEY] asks unanimous consent that next Saturday, the 8th of January, after the reading of the Journal and the clearance of the Speaker's table, that he, likewise the gentleman from Louisiana [Mr. ESTOPINAL], be permitted to address the House, each for 15 minutes, on the subject of Jackson's victory at New Orleans and the return of the Pelican flag. Is there objection? [After a pause.] The Chair hears none.

Mr. LEWIS. Mr. Speaker, I ask unanimous consent to address the House for one hour on Monday next, after the reading of the Journal and the clearance of the Speaker's table, on the subject of the administration of the post office.

The SPEAKER. The gentleman from Maryland asks unanimous consent that on next Monday, after the reading of the Journal and clearing up of business on the Speaker's table, he be allowed to address the House for one hour on the administration of the Post Office Department. Is there objection? [After a pause.] The Chair hears none.

Mr. SCHALL. Mr. Speaker, I ask unanimous consent to extend my remarks on this recent amendment to the bill just passed.

The SPEAKER. The gentleman from Minnesota [Mr. SCHALL] asks unanimous consent to extend his remarks on the bill just passed. Is there objection? [After a pause.] The Chair hears none.

Mr. AUSTIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on Hawaii.

The SPEAKER. The gentleman from Tennessee [Mr. AUSTIN] asks unanimous consent to extend his remarks in the Record on the subject of Hawaii. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Tennessee if he is willing to include in his remarks some of the rest of us who had that most delightful and instructive trip to Hawaii with him?

Mr. AUSTIN. I would not do it any other way, Mr. Speaker. [Laughter and applause.]

The SPEAKER. The Chair hears no objection.

Mr. SHOUSE. Mr. Speaker, I desire to renew my request to be permitted to extend my remarks in the Record by publishing a telegram from Mrs. Lillian Mitchner and a copy of my answer on the subject of national defense.

The SPEAKER. The gentleman from Kansas asks unanimous consent to extend his remarks in the Record by publishing a telegram from Mrs. Lillian Mitchner and his answer to it on the subject of national defense. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, it may appear very technical, but I wish the gentleman would specifically ask to extend his remarks on the subject of preparedness without indicating it is for the purpose of answering a particular telegram.

The SPEAKER. The gentleman from Kansas asks unanimous consent to extend his remarks in the Record on the subject of national defense. Is there objection? [After a pause.] The Chair hears none. Under the special order made the other day the gentleman from Missouri [Mr. BORLAND] is recognized for one hour on the subject of the Missouri River.

THE MISSOURI RIVER.

Mr. BORLAND. Mr. Speaker, at this time when so much attention is invited to the important subject of national defense we may be led to overlook the equally necessary work of developing the commercial resources of our country. I can not but concur in the timely and patriotic remarks of the Secretary of the Interior, Hon. Franklin K. Lane, in his annual report just issued:

I make bold to express the hope that no other policies of this Government may be allowed to stay the internal development of this coun-

try. There is a fear, how general I do not know, that this Government will halt in carrying out its full and needed program of legislation affecting home affairs because of the immediate need for strengthening our national defenses. This apprehension arises, I am confident, out of no lack of sympathy with the plan to increase the Army and the Navy, but out of a feeling that the Government in both executive and legislative branches will be so immersed in matters military and naval as to overlook these matters of less dramatic and perhaps less immediate concern.

PREPAREDNESS NEED NOT PREVENT INTERNAL DEVELOPMENT.

I am anxious to face frankly and boldly the question of national defense and to provide for the safety and dignity of our country and the maintenance of the rights of American citizens at home and abroad. I think these preparations should be ample and not meager, for I feel that there is no danger of our Nation ever going to the extreme of militarism. But I regard as equally important the development of the national wealth and resources of our great country that our people may have an opportunity to build homes, produce wealth, develop commerce, and improve their social and intellectual opportunities. A great, rich, and strong nation can provide for the national defense without the sacrifice of its opportunities for improvement in the arts of peace. I look with more enthusiasm upon the activities of the Federal Government which help the average man, which lead to peace and prosperity. I would rather build homes than battleships and rather dig ditches than graves.

We are told that at this session of Congress there is to be a sweeping attack made upon all forms of internal improvement, and especially upon expenditures for the improvement of rivers and harbors. Instead of waiting for some submarine attack I am willing to draw the fire of the enemy at once and force him, if possible, into the open. [Applause.]

ROMANCE OF THE RIVER.

In 1912 Congress adopted a project of improving the Missouri River after the most careful consideration and repeated examinations and reexaminations by different boards of engineers. Upon the faith of this action by Congress the people of the Missouri Valley, and especially of Kansas City, have invested millions of dollars in restoring commerce to the river, and their efforts have been successful to a remarkable degree. They have solved at the cost of time, effort, and money many of the great and fundamental problems of river navigation. They were the pioneers in a system of transportation which will soon extend to all of the navigable streams of the Mississippi Valley. I would like to tell you something of the romance of the river as illustrated by the efforts of Kansas City and her business men.

The Missouri River Commission passed out of existence in 1902. That commission had done some permanent improvement of the Missouri River, notably a 40-mile stretch near Jefferson City which is still intact and demonstrates that a permanent channel can be constructed and maintained. Most of the money spent by the Missouri River Commission, however, was not devoted to a scientific plan of improvement. Congress unfortunately interfered and required specific expenditures at particular localities; in other words, a pork-barrel method of distributing public money was adopted. Naturally most of the money was wasted, and the Missouri River project has had to bear the odium of these unjustifiable expenditures.

NEW POLICY—CONTINUOUS AND SCIENTIFIC IMPROVEMENT.

In 1907 Congress entered upon a new policy of improving inland waterways on a comprehensive and scientific plan. When I entered Congress in 1909 we had just had a survey and report on the Missouri River by the district office, Capt. (now Maj.) Schulz. He reported a plan for improving that portion of the stream from Kansas City to the mouth to secure a permanent 6-foot channel at an expenditure of \$20,000,000, and strongly advised that the improvement be made in a continuous and scientific manner over a sufficient stretch of the river to permit the actual restoration of commerce. When the report came before the Rivers and Harbors Committee of the House of Representatives that body was presided over by Hon. Theodore Burton, of Ohio. The commercial interests of the Missouri Valley appealed to the Sixtieth Congress for the adoption of the Missouri River project, but they were met by the statement that there was no general commerce on the Missouri River which would justify the improvement. The reason for the lack of active commerce on the Missouri River had been fully pointed out in Capt. Schulz's report. It was shown that the river traffic had been destroyed during the years when railroads were being built in large numbers into the western country, far in advance of the commercial needs of the country. These railroads for more than 20 years had engaged in a fierce competition for business during a period when the traffic available was not sufficient

to support all of the lines. The result was a general system of secret rebates and rate cutting, which crippled the railroads and exhausted much of their capital, and made anything like the maintenance of river traffic impossible. This condition had changed very rapidly with the strict enforcement of the interstate commerce law, and the abolishment of secret rebates and rate cutting, and also with the tremendous growth of traffic in the Missouri Valley. The railroads have reached a point where rates were more stable and where the growing traffic was taxing the capacity of all of the roads.

During the period, however, of railroad competition the river had fallen into complete disuse; commerce on it had practically ceased and could not be restored except upon an improved channel extending over a sufficient reach of the river, as, for instance, from Kansas City to St. Louis, as would make a haul of sufficient length to justify the loading and unloading of boats.

SHIPPERS' BOAT LINE ORGANIZED.

In their request upon Congress to provide a permanent channel on the Missouri River for the restoration of commerce, the commercial interests of the West took the position that the improvement of the river must precede the restoration of commerce, and it was only to a very limited extent that commerce could be restored upon an unimproved river. An attempt to do so would be experimental and be carried on under many disadvantages, which would prevent its being a profitable enterprise. They were assured, however, that if commerce was restored upon the Missouri River upon a basis which promised success, Congress would adopt the project and complete it by sufficient appropriations within a reasonable time. In other words, they were asked to show their own faith in the value of the Missouri River by risking their own capital in the development of water traffic. In accordance with this understanding with the Committee on Rivers and Harbors, the commercial interests of the Missouri Valley, led by the business men of Kansas City, organized a boat line, which was incorporated September 7, 1909, under the laws of the State of Missouri. The form of incorporation was such as to secure and retain the control of the line in the hands of the merchants and shippers of Kansas City. Preferred stock in this boat line was subscribed by 4,220 Kansas City firms and individuals to the total amount of \$1,220,000. More than \$1,000,000 of this amount has been collected in cash. In the Sixty-first Congress the chairman of the Rivers and Harbors Committee was Hon. D. S. Alexander, of New York. Chairman Alexander took a deep interest in the Missouri River project and made a personal investigation of it. He came to Kansas City in September, 1909, and made a trip down the river from Kansas City to the mouth, as a result of which he became thoroughly convinced not only of the engineering possibilities of the river but of its tremendous commercial importance.

On June 25, 1910, in the rivers and harbors bill prepared by Chairman Alexander, the first appropriation was made for the permanent improvement of the Missouri River to the amount of \$1,000,000, although the project was not formally adopted by Congress. When the bill reached the Senate a provision was inserted by Mr. Burton, of Ohio, who had then become Senator, providing for a reexamination of the project by a board of three engineer officers of the Army. This reexamination was had and resulted in the substantial adoption of the Schulz report and the recommendation of the improvement of the Missouri River from Kansas City to the mouth at a total cost of \$20,000,000, to be completed in 10 years. This report reached Congress too late to be incorporated in the regular rivers and harbors bill of the first session of the Sixty-second Congress, but in order that the work on the river so well begun by the appropriation of \$1,000,000 should not cease, an authorization of \$600,000 to continue the work was made. After this ample foundation had been laid, the project was finally adopted by Congress in the rivers and harbors act of July 25, 1912. The credit for this is due to the Rivers and Harbors Committee, headed by Chairman SPARKMAN, of Florida. In all Congress has appropriated \$6,250,000 for the river. On account of the irregularity and uncertainty of the appropriations and the repeated attacks which have been made upon the whole plan of river improvement, the work has been slower and more expensive than it should be, but the latest reports of the engineer officers are that the work can be completed within the estimated cost and the allotted time. The Government has built a plant costing over half a million dollars. It is now proposed to sweep the whole thing away, junk the plant, lose the money invested, and break faith with the commercial interests of the valley, and all this is to be done in the name of economy, or, if that cry fails, in the name of patriotism and preparedness.

FIRST PROBLEM—MODERN BOATS.

Let us see what the commercial interests have done in reliance upon the word of Congress. They have restored commerce upon the Missouri River between Kansas City and St. Louis more rapidly than the improvement of the river has progressed under the Government work. When the first appropriation of \$1,000,000 was made in 1910, an agreement was entered into between the Rivers and Harbors Committee of the House and the Commercial Club of Kansas City that the Government would adopt the project if commerce in good faith should be restored on the river. The shippers have kept in a generous measure their share of this bargain. They found, it is true, a mighty task, for they were resolved not simply to run a few experimental boats as a bluff to cut down railroad rates, but to rebuild on modern lines the obsolescent system of river navigation.

While there is always an abundance of water in the Missouri River, if it be kept within a well-defined channel, the neglect of the channel produces snags, sand bars, and shallow places, which make the navigation of full-draft vessels impossible. It was this channel which the Government had promised to restore, but which our people were compelled to navigate in its then neglected condition. The main problem involved a number of incidental problems, which they must solve not only for their own benefit but for the benefit of all those who undertook to navigate inland streams. There were no types of modern boats available for inland streams. The only craft that could be secured were the old Texas deck boats of ante-bellum days. These are constructed of wood and are so highly inflammable that insurance is almost prohibitive. They are so frail that they are at the mercy of every snag. Most of them carry their power and fuel at the expense of available space for freight. They carry all of their freight on deck, exposed to theft and the weather, and must be loaded and unloaded by hand at a prohibitive cost, requiring the presence of an impossible number of casual laborers or wharf hands at every stopping place. No sane business man would attempt to carry freight under these conditions in competition with an oxcart, let alone with a railroad.

The first task of the Kansas City Missouri River Navigation Co. was to secure a naval architect, a man trained in the technical schools of Germany and familiar with navigation on the Rhine, and send him to every stream in the United States to examine every possible type of river boat. From these careful expenditures of money and effort a type of steel-hull barges was evolved, to be pushed by a power boat. These steel-hull barges were so well protected from the danger of fire, theft, and snags that they eliminated the need for marine insurance. The company can afford to, and does, pay every loss promptly, and the shipper is not required to insure his goods. As the power boat is separate from the barge a higher efficiency can be maintained for both units. While the barge is tied up to the wharf, loading or unloading, the power boat is started again on its trip with other barges which have been loaded.

A portion of the capital was immediately invested in these steel-hulled barges. We found, gentlemen, that the maximum capacity of a steel-hulled barge on a 6-foot channel on a non-tidewater stream should be about 2,000 tons. We began by building barges of 1,400 tons, because in the 400-mile stretch between Kansas City and St. Louis there were between 40 and 50 shallow places and shoal crossings where barges of full draft could not get through and where navigation must be limited to the shallowest place in the stream. We began with 1,400-ton barges. We found they were too large and had to be lightened over the shallow places in the river. Then we went down to 1,200-ton barges, and later we went down to barges of 1,000 tons, and now we have gone down to 600-ton barges because the Government has not yet opened up a proper channel navigation between Kansas City and St. Louis.

Mr. MOORE of Pennsylvania. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Missouri yield to the gentleman from Pennsylvania?

Mr. BORLAND. I do.

Mr. MOORE of Pennsylvania. I would like to ask the gentleman if it has been possible for this independent company to which he refers to do a profitable business with a 600-ton barge?

Mr. BORLAND. No; it has not been profitable. We are doing it because the condition of the channel compels us to do so.

Mr. MOORE of Pennsylvania. The gentleman said they started out with 2,000-ton barges.

Mr. BORLAND. No. I said they started out with 1,400-ton barges.

Mr. MOORE of Pennsylvania. It may be of interest to the gentleman from Missouri to know that in my section of the country it has been found to be unprofitable to use barges carrying 900 tons on streams of a depth not exceeding 7 or 8 feet.

Mr. BORLAND. The gentleman is no doubt right about it. We have found this to be the case: On through freight from East St. Louis to Kansas City or return the load ought to be full, as full as the barge can make it, and 2,000 tons is the profitable weight.

But much way freight, such as farmers loading apples, or sacked grain, or hay, or other products of that kind at farm crossings—of which we now have considerable, owing to the encouragement that has been given in the last few years—or at smaller towns along the river, where small lots of merchandise and groceries are loaded, we find that smaller barges can be used at a profit. The power boat leaves the barge at its place of temporary destination. Then the power boat is free to take another load either up or down stream. In the meantime the barge is being loaded or unloaded, without loss of time to the power boat.

Mr. MOORE of Pennsylvania. I think it will interest the gentleman to know that the New York State Barge Canal, which is being constructed at enormous expense, contemplates the use of 2,000-ton barges, with a depth of 12 feet.

Mr. BORLAND. We believe that they can be run profitably at a depth of 6 feet.

Mr. MOORE of Pennsylvania. You are fortunate.

Mr. BORLAND. There is a draft of 4½ feet in the 2,000-ton barges, and we believe they can be run on a permanent draft of 6 feet. In addition to that, the barges must be kept constantly active. Of course it costs proportionately more to handle small barges than to handle large ones, but I will say to the gentleman from Pennsylvania, if he is familiar with our agricultural country out in the West, there is a class of way freight which it will not pay to pick up with large barges. They can be picked up profitably by 600-ton barges, so that we are solving a problem that is common to all internal waterways, but a problem which has no connection whatever with deep-water shipping.

In the season of 1911 the navigation company operated one old Texas deck boat, called the *Chester*. In the season of 1915 it had, in addition to the *Chester*, two modern tunnel-type power boats and a fleet of eight steel barges. In the season of 1916, unless Congress decides to chloroform American enterprise, it will have an additional power boat of an enlarged and improved type and additional barges adapted to way-freight farm products along the river.

SECOND PROBLEM—TERMINALS.

In addition to developing a new type of river craft the boat-line company found that terminals must also be provided. The long neglect of the river had enabled the railroads to seize the water fronts in all of the river cities. The Government might improve the channel at great expense in vain unless proper terminals were provided. Kansas City began the fight by issuing bonds for \$75,000 to build a municipal terminal which should be free to all boats without danger of extortion. Before building the terminal, however, it was necessary to force the railroads, by litigation, off the land. Now we have a modern, steel and concrete warehouse, fire, weather, and rat proof, at Kansas City. No shipper is going to permit his goods to be dumped upon a wet or muddy bank exposed to the weather and theft; but, on the other hand, cities can not provide modern terminals unless the Government improves the channel and really performs and finishes what it undertakes. In addition to providing a wharf or landing place and providing proper warehouse facilities there must also be modern electric cranes for the purpose of loading and unloading the boats. Hand labor is too expensive and too uncertain. These modern cranes must lift the goods from the boat to the warehouse or from the boat to the railroad car, or vice versa. This necessitates that there be an articulation of the railroads with the boats at the public wharf by proper switch tracks.

THIRD PROBLEM—SWITCHING CHARGES.

But this is not all. After all this is provided the boats are still at a disadvantage unless they can accept and deliver freight at the warehouses of shippers who are not located near the river. In other words, they must be in a position to compete with railroads which have private switch tracks to every industry and every factory of any size. It became necessary, therefore, for the boat line to absorb switching charges and give the shipper a rate based upon receiving the freight at his establishment or delivering it to his establishment within switching limits from the public wharf.

FOURTH PROBLEM—INTERCHANGE OF TRAFFIC WITH RAIL CARRIERS.

But this is not all. It is necessary for the boat line, if it would compete with the railroads, to interchange freight with

connecting rail lines so as to be able to accept freight coming from or destined to any point in the United States to the same extent that the railroads do. If a shipment from Massachusetts were destined to a point in southern Kansas, the boat line should be able to receive it at St. Louis, carry it to Kansas City, and redeliver it to the connecting rail carrier. This necessitates through routes and through rates and a division of rates between the rail and water carrier. To show the earnestness with which Congress has entered upon a plan to restore inland water transportation, we may recall the recent act amending the interstate-commerce act giving the commission power to establish and compel through routes and through rates and interchange of business between water and rail carriers. The railroads were at first inclined to dispute this right and to embarrass our Missouri River boat line. Our boat-line people promptly took the matter up with the Interstate Commerce Commission and won the first victory under this law. The case is *Kansas City Missouri River Navigation Co. v. The Chesapeake & Ohio Railroad Co.* (I. C. C., No. 7002, decided May 11, 1915). It involved the right of the boat-line company to demand a division of the through rate for the carriage of flour and milling products from points west of Kansas City for export via Newport News. In this great victory the rights of the western farmer and miller were involved and they were given the benefit of the cheaper water rates. [Applause.]

FIFTH PROBLEM—BUILDING UP PATRONAGE.

But this is not all. The building up of a new transportation line, or a new method or system of transportation, is a tedious, difficult, and expensive matter, not only on account of the obstacles which must be overcome, but on account of the element of habit, usage, or business confidence which controls to so large an extent the course of trade. Every new enterprise suffers from this difficulty, but its continued success is finally rewarded by a degree of public confidence which we call the good will of the business and which in many cases is the most valuable part of the entire enterprise. We must bear in mind that the Missouri River, in a partially improved condition, was being navigated by a boat-line company. The Federal Government had not yet given us a 6-foot channel. On account of the shallow places in the stream, the size of the boats, and the size of the fleet, the extent to which the vessels could be loaded and the time consumed in the trip were all adjusted to the worst spots in the river. As the Government work progressed the service of the boat-line company became better and its patronage among the merchants grew. In the season of 1911 it moved only 1,084 tons of general merchandise. In the season of 1915 it moved over 33,000 tons of general merchandise.

That does not seem very great to these gentlemen that write magazine articles about the failure of the river improvements. But if they will read some letters of men who patronize those boats along the route they will have a different idea of it.

Here is a letter from a hardware company. It says:

Our tonnage for the past five years has been as follows: In 1911, 106,000 pounds; in 1912, 195,000 pounds; in 1913, 228,000 pounds; in 1914, 580,000 pounds; and in 1915, up to October 10, 912,000 pounds.

That is the way business grows.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. MOORE of Pennsylvania. The gentleman just gave his figures of the amount of freight in pounds. Did he mean pounds or tons?

Mr. BORLAND. In that case I meant pounds.

Scores of merchants came before the Rivers and Harbors Board at Kansas City and testified that they could not adjust their business nor take the risk of shipping by water in 1911 or 1912. Many of them did not attempt to do so in 1913 or 1914, but began in the season of 1915. Each year saw an increase in the patronage of the boat line as the service improved and as proper routings for freight and time of delivery were worked out. This good will of the business is not only the most valuable but the most delicate part of an enterprise. It takes time, patience, skill, work, and money to build it up, but it can be torn down by any blundering fool in an hour. Nobody knows better than the railroads that if they can get Congress to withhold appropriations for a single year every shipper who has patronized the boat line will be driven back into their arms. Any ambitious statesman who wants to run for President of the United States on a railroad platform should begin by a submarine attack upon the waterways.

DOES RIVER NAVIGATION PAY?

The boat line company now carries freight of all classes, including some of the most valuable merchandise, at a uniform rate of 80 per cent of the rail rate. In the first seasons of its existence it has necessarily faced a deficit. All new transpor-

tation lines do, and no railroad has ever been known to pay within the first nine years of its existence. The boat line has had the further expense and difficulty of operating upon a partially improved channel, so that it can not load its boats to full capacity, and has been frequently unable to accept all the freight offered to it. It also absorbs the switching charge at terminals at Kansas City and East St. Louis and the cost of loading and unloading. In addition to this it absorbs the marine insurance, so that the saving of 20 per cent is a net saving to the shipper. In spite of these handicaps, it will shortly be on a profit-making basis, and could now wipe out its deficit if it charged the same rate as the rail carriers. It can not increase its present fleet more rapidly than the improvement of the channel will justify, and therefore it is restricting its own earning power. For illustration, the maximum capacity of barges adapted to a 6-foot channel is 2,000 tons and the maximum power boat would be 1,000 to 1,200 horsepower. Craft such as these will produce a handsome profit at 80 per cent of the rail rate or even less. The company found, however, that with the numerous shallow places in the river it must use lighter draft boats. It began with 1,400-ton barges, and when it found that these could not be operated profitably until the river was further improved it built barges of smaller and smaller capacity. The small barges are operated at a proportionate higher cost, and when the channel is finally improved will be used only for way freight; therefore the company can not invest in full-size barges at this time nor can it tie up all its capital in small barges adapted only to the partially improved stream.

Mr. MOORE of Pennsylvania. Will the gentleman permit me to say that just now the railroads are issuing embargoes against freight; they are unable to carry the commodities furnished them, and in some cities the waterways are unable to assist them, because they are unable to get the great terminals. Does this condition hold at all in the gentleman's country, and if his river was improved would it be of any more service to the people than it has been?

Mr. BORLAND. Unquestionably the gentleman from Pennsylvania is right. We are feeling the freight congestion, and I was about to touch on that. Not only are we feeling the freight congestion, but the Interstate Commerce Commission has issued a peremptory order that we must not hold railroad cars, that they are badly needed to haul the products, and that we must turn them loose at the earliest possible moment.

There was a time, I have no doubt, when the railroads of Missouri were overbuilt.

Mr. HILL. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. HILL. The congestion in New England is due to political prosecutions on the part of the United States and the utter inability to raise funds to meet the situation, because \$160,000,000 has been robbed from the people of New England by this prosecution.

Mr. BORLAND. Mr. Speaker, I am sorry I can not yield for the discussion of that important topic. There is some difference of opinion as to who did the robbing. But I do want to say that gentlemen who are saying that we ought to abandon the rivers and save the money we are spending upon these improvements are basing their contention on the fact that our railroad facilities are ample. They say: "What is the matter; what do you need any more facilities for? Have not you got the railroads?" It reminds me of a mayor in a sister city, who, when he was asked why he did not provide street lamps to light the streets, replied, "You got the moon yet, ain't it?" [Laughter.]

ARE RAILROAD FACILITIES AMPLE?

When our critics say, "Why do you need to spend so much time, work, and Government appropriations in building up river navigation? Have you not got the railroads?" We reply, Yes; we have the railroads, and we are attempting by constructive legislation to make them deal uniformly and fairly with the shipping public, and they are fighting back with both fists—their financial fist and their political fist. Even if the railroads were amply controlled and rates could be established arbitrarily by the Interstate Commerce Commission to please every shipper, regardless of natural conditions affecting the movement of freight, the improvement of the waterways would still be necessary and desirable. There was a time three decades ago in the history of the West when the railroads had built far in advance of the needs of commerce. In those days the railroads were engaged in cut-throat competition. To-day more stable rates have come, but the railroads are utterly unable to provide facilities for the increasing traffic. A system of railroad monopoly of transportation is a false and impractical system. It is as false as it is for the opponents of river improvement to claim that the business men who demand water transportation have no object in view but to bluff the railroads into

reducing their rates. In 1871 when the Missouri Pacific was completed between Kansas City and St. Louis it had to be heavily subsidized because there was not sufficient commerce to justify its construction. To-day there are five lines of railroad between Kansas City and St. Louis, and some or all of them must soon be double-tracked. No man can foresee the tremendous growth in the movement of traffic in the interior of the United States. Nobody has ever overestimated it. The railroads to-day are suffering from periods of congestion, and there is almost an annual car shortage at the time of the movement of crops.

If anyone is interested in estimating the enormous growth of traffic in the Southwest, his attention is called to the fact that when Congress adopted the Missouri River project it did so on the basis of the official returns of 1907, which show that traffic passing through the gateway of Kansas City was approximately 5,000,000 tons, of which 1,000,000 tons would be available for transportation by water. In 1915 the total tonnage passing through the gateway of Kansas City was 11,000,000 tons, an increase of 120 per cent in eight years.

WILL WE SAVE MONEY BY ABANDONING THE RIVER.

Suppose we abandon the improvement of the Missouri River and waste the \$6,000,000 we have expended on it, are we going to save the people of the United States the \$13,000,000 necessary to complete the project? Is the improvement of waterways the only cost of transportation which is charged against the public? The public in some form pays for the capitalization of additional railroads. Those who take their position with the railroads against the rivers must demonstrate not only that ample railroad facilities can be provided, but that they can be provided at a less cost and with greater efficiency than the improvement of the rivers. Of course the very reverse is true. The Missouri River between Kansas City and St. Louis, with a permanent 6-foot channel enabling boats to make continuous trips and run day and night on regular schedules, has a carrying capacity probably equal to 100 single-track railroads, and yet it can be built to-day and maintained for a less cost than one additional single-track railroad between Kansas City and St. Louis. This is shown by a statement of the division of valuation of the Interstate Commerce Commission issued to WILLIAM P. BORLAND, October 27, 1915, which says that it will cost approximately \$55,000 a mile to construct a modern single-track railroad from Kansas City to St. Louis. The distance is 280 miles, which makes a total cost of \$15,400,000. To acquire the necessary terminals in Kansas City and St. Louis would cost at the very lowest estimate \$5,750,000, making a total of \$21,150,000. To maintain this road would cost \$2,500 per mile per year, or a total of \$6,500,000. Just compare these figures for a moment with the cost of having and maintaining an improved river between Kansas City and St. Louis. It will cost \$20,000,000 to secure a 6-foot channel, of which about \$6,250,000 has already been appropriated. It will cost \$500,000 a year to maintain this channel. Our critics insist that we shall also add interest on the investment at the rate of \$600,000 a year, making a total of \$1,100,000 as the cost to the Government in maintaining a 6-foot channel. You will notice that the cost of maintaining a single-track railroad between Kansas City and St. Louis would be \$6,500,000 a year, which does not include the item of interest on the investment. The original cost of the railroad is \$21,150,000, or approximately the same as the original cost of the improved river.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. BORLAND. Certainly.

Mr. ALEXANDER. How much more traffic could the river carry than a single-track railroad?

Mr. BORLAND. It has been estimated that it will carry at least 100 times the capacity of a single-track railroad. Nobody knows. It is an expansive quantity. It adjusts itself entirely to the traffic offered. You can run as many boats on an improved stream as you have traffic offered. There is no limit as far as we know. There is no such thing as congestion at the terminals or otherwise on an improved river. You have all of the terminal facilities up and down stream that you need. You do not have to have your railroad yards blocked with cars which can not be switched onto tracks and unloaded.

IF GERMANY OWNED THE MISSOURI RIVER.

Which do you prefer, my patriots, who are so anxious to save the pocketbooks of the people, a railroad which must be clubbed into submission by an Interstate Commerce Commission and which is entitled to charge its full cost of operation to the shipper, or a free and open river, a public highway, with public terminals? If we regard the matter purely from the standpoint of preparedness, it is the height of national folly not to develop every available means of internal communication. Germany has built up the most remarkable military establishment the world

has ever seen, and at the same time has improved her rivers, roads, and railroads. She has constructed magnificent canals and harbors. If Germany owned the Missouri River, there would be a different tale to tell. Much of our railroad stock originally was, and still is, in foreign hands. In the future it might happen that we would need every means of communication, need them free from private control, and need them brought to the highest state of efficiency.

TRAFFIC IS CREATED BY CHEAP TRANSPORTATION.

Mr. SMALL. Mr. Speaker, will the gentleman yield?

Mr. BORLAND. Yes.

Mr. SMALL. The gentleman has correctly stated that one argument of the opponents of river improvement is that we have the railroads to carry the traffic, and he has referred to the rivers as an additional instrumentality of transportation, and the coordination of water carriers with rail carriers through the construction of terminals. Is the gentleman prepared to state the additional advantage of the improvement of rivers and the establishment of water carriers by reason of the cheapened transportation as compared with carriage by rail?

Mr. BORLAND. Mr. Speaker, that is an important question, but one largely experimental. We know that business is created by the presence of cheap and reliable transportation. One gentleman came before the Rivers and Harbors Board at its hearing in Kansas City in October. He was a manufacturer in St. Louis of bathroom fixtures, enameled ware. He said that the opening of the river, he found, had enabled him to command a trade several hundred miles farther west than he had ever been able to command before; that he could go into territory by reason of the reduced rates on the river that he had never reached before, and he had enlarged his plant upon that proposition. Another gentleman, a man from New England, came before us who proposed to establish an apple-cider-vinegar factory at a small interior point in Missouri, on the river. He said that the continued improvement of the river and the running of boats was the sole condition of the investment of his capital; that he could not establish that plant there if it had not been for the facilities offered.

Another illustration is the alfalfa-meal business at Kansas City. Alfalfa is raised in the agricultural States of the West, ground into meal at Kansas City, and shipped to the South for dairy and stock feed. Other forms of stock feed are being manufactured at Kansas City, some of them using large quantities of molasses, which is brought via New Orleans. On account of the cheap and bulky character of this freight a water rate is absolutely necessary to build up the trade. Business under modern conditions is created by transportation facilities. It follows transportation facilities. It does not precede them.

EFFECT OF RIVER NAVIGATION UPON RAILROAD RATES.

As to whether the river traffic has now reached a point where its influence can be felt in competitive rail rates there is a wide difference of opinion between the shippers on the one hand and the railroads on the other. The shippers believe that viewed from the standpoint of experience in the practical effect of water competition on the Great Lakes with the rail haul from Chicago to New York a very substantial reduction of rates can be made between Kansas City and St. Louis. This will follow the increase in the volume of high-grade tonnage carried by river. The critical period is now approaching, and at this crisis it is seriously proposed to abandon the improvement of the river, put the boat line out of business, visit with discouragement and loss those who have invested their labor and capital in building up river traffic, and free the railroads from competition.

On the other hand, the railroads contend that the river traffic has already had and now has a very potent effect on rail rates; that the rates are now too low; and that with the elimination of water competition these rates will be promptly and substantially raised.

Both parties regard the presence or absence of water competition an important factor in the rate situation. This is evidenced by the statements and admissions of railroad men given in testimony before the Interstate Commerce Commission. Here is what they say about it:

The rates between New Orleans and Kansas City are not normal rates, but are depressed by water competition on the Missouri and Mississippi Rivers.

But for the water route from New Orleans to Kansas City the rail rates on the commodities complained of would be a great deal higher than they are at present. If the present rates to Kansas City should be raised to a reasonable basis, thus ignoring the river navigation, it is my opinion that the same condition would obtain that existed prior to the present low rail rates. The traffic would be handled direct between New Orleans and Missouri River points by boats or barges, or by boats or barges to St. Louis, and thence via rail to destination, and this would mean that the initial lines at New Orleans would be deprived of handling this traffic.

That is what the railroads say.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. COOPER of Wisconsin. From what is the gentleman reading?

Mr. BORLAND. I was reading from the testimony given by a witness in an interstate-commerce case. The case is No. 6119. The name of the witness is Shephard, and he is assistant general freight agent of the Illinois Central Railroad and the Yazoo & Mississippi Valley Railroad.

KANSAS CITY A BREAKING POINT FOR RATES.

Mr. SMALL. Has the gentleman time for an interruption?

Mr. BORLAND. Yes; I think so.

Mr. SMALL. I think it is generally conceded that the railroad fixes rates between water competitive points below the cost of carriage, so that the rates entail a loss upon the railroad as between water competitive points, and generally they recoup that loss by advancing the rates to interior points. That has created a prejudice upon the part of interior sections against the improvement of waterways, because, they say, the benefits are sectional. I ask the gentleman if he has considered the proposition whether it would not be wise to authorize the Interstate Commerce Commission to fix a minimum rate which the railroad may charge between water competitive points, so that whatever benefits are derived from water transportation shall inure to the benefit of the water carriers and to the sections immediately contiguous to the rivers, without penalizing thereby sections and points in the interior?

Mr. BORLAND. I will say in reply to the gentleman that that condition of which he speaks does not prevail in the territory west of Kansas City, for this reason: Kansas City is the breaking point for rates. If the rates between Kansas City and the Mississippi River are lowered, and that lowering is forced into a general readjustment of the rates, as we are now endeavoring to make it do, it necessarily operates for all the products west of the river, because Kansas City is the breaking point.

Mr. SMALL. You have just furnished evidence of the rate from water competitive points on the Missouri River, from an official here, below the cost of carriage, which was a loss to a railroad.

Mr. BORLAND. I do not know that they are below the cost of carriage or a loss to the railway. I know they say if it were not for the presence of water competition the rates to New Orleans on molasses and sugar would be higher.

Mr. HARDY. Will the gentleman yield for just one question?

Mr. BORLAND. Yes; but I may have to ask for a minute or two more. I will be glad to yield.

Mr. HARDY. Has not the objection which the gentleman from North Carolina [Mr. SMALL] speaks of, which was very prevalent before the law of 1909, been largely eliminated by the law which passed this Congress in the year I speak of, which prohibits the carrier charging more for a short haul than a long haul?

Mr. BORLAND. I think it has had some effect in that direction.

WATER COMPETITION MUST BE CONTINUOUS AND SUBSTANTIAL, NOT MERELY POTENTIAL.

The growth of traffic on the river has been so rapid in the last five seasons that the railroad officials are beginning to consider a reduction of their rates to meet the water competition. Of course until the river carries a substantial amount of commerce and really becomes a permanent and substantial factor in the rate situation, the railroads are not going to meet the water rates. There are two reasons which will induce the railroads to maintain their rates as long as possible. The first reason is that the Missouri River is the key to the rate situation of the entire country south of the Great Lakes. Any reduction of through railroad rates to meet competition on the Missouri River would require a readjustment of rates to all interior points. The second reason is that the interstate-commerce law now provides that if the railroads lower their rates to meet water competition, they can not afterwards raise the rates without showing some other reason than the elimination of water competition.

The railroads are now watching the boat line so carefully that by examination of the files of case No. 6119 of the Interstate Commerce Commission docket it will be found that every railroad in the Southwest receives detailed reports of the cargo of every boat on the river, including the name of the consignor, the name of the consignee, and the point of origin and destination. On local points in the State of Missouri where the through rate is not affected the railroads have already reduced their rates to meet the boat-line competition. At this crisis, when water transportation is becoming a substantial factor, it

is much easier for the railroads to cripple it and put it out of business by preventing appropriations in Congress for the continuation of the work. If they succeed even for a single year in causing an abandonment of the work, shippers whose whole commercial interests are at stake will be compelled to come back to the railroads and confidence in water transportation as a permanent factor will be destroyed. This is the bug under the chip of the whole waterway fight. Doubtless the railroad policy is a short-sighted one, and doubtless it would be better for them as well as for the country at large to recognize the waterways as a permanent addition to the transportation facilities of the country; but just now every railroad politician and railroad paper is busily shouting "pork" to frighten the advocates of river improvement, or "preparedness" to charm them away from a continuance of the waterway policy.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. HUMPHREYS of Mississippi. Does the gentleman desire more time?

Mr. BORLAND. I would like to have a little more.

Mr. HUMPHREYS of Mississippi. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri be allowed to proceed 10 minutes more.

The SPEAKER. The gentleman from Mississippi asks unanimous consent that the gentleman from Missouri be allowed to proceed 10 minutes more. Is there objection?

There was no objection.

EFFECT OF PANAMA CANAL.

Mr. BORLAND. Mr. Speaker, I do not want to trespass upon the time of the House, but I do want to explain the effect on the West of the construction of the Panama Canal. It is a thing to which gentlemen probably have not given much attention.

The rate situation in the Southwest is about to be violently disturbed by the opening of the Panama Canal. The ocean rate from the Atlantic seaboard to the Pacific seaboard will be cut in half, and this will affect rail rates in the territory east of the Alleghenies and west of the Sierra Nevadas; but the great interior section of the country between the Allegheny Mountains and the Rockies must pay proportionately higher rates unless the great inland waterways of the Mississippi Valley are improved so as to furnish an all-water route to the Atlantic and Pacific coasts. This means that manufacturers desiring to enjoy the Pacific coast trade or foreign trade must move to the Atlantic seaboard or to the Gulf coast. They must abandon the Mississippi Valley with its great supply of raw material and fuel. This is a serious situation for every State west of the Alleghenies and means that the great Panama Canal, which was built at the expense of all of the people of the Nation, will prove a commercial blight to a very large section of our country unless it is supplemented by the improvement of inland waterways. The West, with its enormous supply of raw material and its inexhaustible fuel, can become the manufacturing center of the country if it be given adequate and cheap transportation.

MISSOURI RIVER A NATIONAL ASSET.

The Missouri River is the natural solution of this transportation problem. It runs through the great chain of eight States, which in the last decade have grown faster in farm wealth than any other eight States in the Union and that will grow faster. It runs through the great oil, gas, and coal belt of the world. We have the fuel, we have the labor, we have the climate, and we have the capital. But gentlemen say this is some kind of a sectional proposition. A lumber dealer who appeared before the engineer board at Kansas City said: "We can not buy Pacific-coast lumber in the Mississippi Valley if you do not give us the Missouri River. If the river is improved we can bring the lumber around through the Panama Canal and up by way of New Orleans, and up the Mississippi and the Missouri, and the people in Missouri and Kansas and Oklahoma can afford to buy the cheap lumber; but we can not transport a bulky freight like that if we have to pay an all-rail rate across the Rocky Mountains." So our friends on the Pacific coast are not so foreign to the proposition, and neither, I may say, are our friends on the Atlantic coast. In New England they do not raise the foodstuffs that feed their great manufacturing population. They can not. They have no means of raising it. Instead of sending to Canada to feed the operatives of New England, let them send to the Mississippi Valley. Let us send them the wheat, the flour, and the millstuff by water, down the Missouri, down the Mississippi, via the port of New Orleans, and then by the Gulf and the Atlantic Ocean around to the port of New York. And why not? We have built the great Soo Canal for the Great Lakes, and it has added to the farmers' price of every bushel of wheat far up into Canada, hundreds of miles north of the United States border. Canada has developed her wheat lands on the

basis of our improvement of the Great Lakes. We in the Southwest have the same right to have our natural waterways built, to add to the price of our wheat, our cattle, our beef, and our cotton.

Mr. HULBERT. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. HULBERT. Does the gentleman think that at the port of New York we can take care of any more commerce coming by way of the Missouri River and the port of New Orleans unless we are able to get port improvements in New York Harbor?

Mr. BORLAND. Nobody is voting against port improvements in New York Harbor. New York is the greatest asset in a commercial way that the Nation has, and I have never yet voted against the improvement of New York Harbor. [Applause.] We own New York Harbor and we are glad of it.

TRIUMPHANT VINDICATION OF PROJECT.

Mr. GALLAGHER. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. GALLAGHER. Maj. Schulz, who was the engineer at the time this improvement was reported, recommended it. He was unqualifiedly in favor of it. He was removed and another man sent there, and this man made a report against it.

Mr. BORLAND. Yes.

Mr. GALLAGHER. That unfavorable report has been set aside by the Engineers' Board of Review.

Mr. BORLAND. Yes.

Mr. GALLAGHER. Has the gentleman any idea why Maj. Schulz was removed from Kansas City?

Mr. BORLAND. No; but I have a notion. I know he was removed and another man was sent there, and on the 4th of March Senator Burton put in an amendment providing that there must be a reexamination of the Missouri River; and, with great speed, on the 22d of April the reexamination had been made and the adverse report was in. We had to fight that adverse report. We got the Board of Army Engineers to come out there, and we so overwhelmed them with testimony as to the commercial use of the Missouri River that they came back here and yesterday joined in a report recommending that this Congress continue the work. [Applause.]

HEART OF AMERICA.

The Missouri River reaches into the very heart of America. It is the most important commercial artery of the country. It carries water navigation farther into the great producing and agricultural regions than any other channel. It is the breaking point for rates on east and west bound traffic. It is the key to the entire rate situation of agricultural States between the Mississippi River and the Rocky Mountains. Its improvement will control the price of every bushel of wheat, every pound of beef, raised in that great bread basket of the world. No other country except China has so neglected its opportunities or so sacrificed its home interests to the demands of foreign capital. I have no prejudice against the railroads or against foreign capital which draws the income from them, but I know that we will need both the rivers and the railroads to meet the oncoming tide of American prosperity. This country is big enough, strong enough, and rich enough to protect itself and to build up its internal enterprises at the same time. [Applause.]

THE FARMER AND WAGE EARNER.

The SPEAKER. Under the special order, the gentleman from Texas [Mr. DAVIS] has one hour in which to address the House. [Applause.]

Mr. HENRY. Mr. Speaker, I desire to submit a request for unanimous consent. My colleague [Mr. DAVIS] has one hour, and in order that he may not be under restraint as to time I ask that he be allowed to proceed until he concludes his remarks.

The SPEAKER. The gentleman from Texas [Mr. HENRY] asks unanimous consent that his colleague [Mr. DAVIS] be permitted to conclude his remarks. Is there objection?

Mr. MANN. Mr. Speaker, I think that the gentleman from Texas, who is a valuable Member and will become a more valuable Member of the House, might as well learn at one time as another to comply with the ordinary provisions of the rules of the House. This is a permission which is practically never given, and I object.

The SPEAKER. The gentleman from Illinois [Mr. MANN] objects, and the gentleman from Texas [Mr. DAVIS] is recognized for one hour.

Mr. DAVIS of Texas. Mr. Speaker, you will find the text for my remarks where God said:

Open thy mouth, judge righteously, and plead the cause of the poor and needy.

For, whether I discuss the question of preparedness or the question of rural credits, I shall endeavor to represent that great mass of humanity down in the common ranks, whom Abraham Lincoln said God must have loved because He made so many of them.

There are very grave issues pending in this Congress, and as I look upon the conditions of our country I say to the Democratic administration that the very life and destiny of the farmers of this Republic are now in your hands, knocking at the door not only for fair existence but for liberty itself.

When I was born this Republic had free land enough to make an empire twice as big as the great German Empire that is now battling the world with its prowess in arms. Now that land is gone; no longer can the farmer leave the crowded East and go to the inviting West, drive down his stakes, and add to civilization a new hope and a new home. Turning back we find 8,000,000 farmers, and 5,000,000 of them are tenants. I turn now to my Republican friends and say that is a terrific indictment against their administration, because the Republican Party has had charge of this Government during all of these years, with few intervals to the contrary, but there are some cobwebs that I want to brush away. When the Speaker announced the other day that I would address the House on preparedness and rural credits, he said, "and so forth." [Laughter.] I would like to know just what that "so forth" included. I jotted down a few thoughts that I will undertake to put in with the "so forth."

What is a reactionary Republican? In the parlance of the western farmer he is simply a hitching post in the body politic where the criminal rich ride up and hitch when they want to go in to scuttle the building. [Laughter.] What is a progressive Republican? It is a motherly hen sitting on a lot of rotten eggs expecting them to hatch, and the longer she sits the staler the eggs. [Laughter.]

When I came here I looked around this imposing pile of architectural beauty and display wondering what I would be able to do for the great family all over that grand State that voted for me to come here. What am I here for? [Laughter.] Then I heard a bunch of Republicans over there pretend to discuss the tariff. Three or four of them said the foreigner pays the tariff. Then, my God, I hung my head and wondered what they came here for. [Laughter.] The people who sent that kind here evidently made a mistake. They ought to have sent them to the asylum. [Laughter.]

Mr. Speaker, if I thought there was a kinky-headed, black-faced, knock-kneed, pigeon-toed nigger in heathen Hottentot who did not know that the foreigner never pays the tariff I would be willing to head a petition to have Roosevelt go down and discover him as a new species of the biped family. [Laughter.] The foreigners pay the tariff. Phew!

I heard a speech yesterday from a Republican—I did not get his name and State, who in discussing the question of conservation, with an insolence pragmatic and, it seemed to me, vicious, said that he cared nothing about the next generation, that the next generation could take care of themselves. My God, sir, that is what has put us in the political hell where we are now, and you Republicans began that 40 years ago. All the great opportunities that God gave to man have been fastened in the clutches of the heartless, soulless, pitiless, conscienceless, cruel corporations that have no soul to damn under God's laws, no neck to break under human laws, and yet have all God's blessings monopolized.

I stand to beg and to plead for them who shall come in the future as well as for them who live now. God gave mankind dominion over the earth, the fowls of the air, the fishes of the sea, and the beasts of the fields; and no generation of man has a right to monopolize, eat up, and drink up in riotous reveling wealth, the usufruct of the soil, and hand it down to posterity burdened with the former generations' sins and iniquities, loaded with misery, debt, death, and despair.

I have been a national character for 30 years. [Laughter.] I remember 20 years ago papers like the St. Louis Globe Democrat were cussing me by note, and my Republican friends if I put a blister plaster on you this afternoon it is not because I hate you, because I am like our much beloved Lord—"those whom I loveth I chasteneth."

When I was a boy there were lots of grand, patriotic men leading the Republican Party; but, say, it has been a long time since I was a boy. [Laughter.] I was born in the State of South Carolina, the State that threw the first bombarding shell in the face of the American eagle. My father moved to Texas when I was 4 years old, and out on the frontier of that frontier State I grew up just to suit myself. [Laughter.] Many, many nights the bosom of the earth rocked me to sleep. The broad canopy of a star-lit heaven covered me. The howling herds, the twittering birds, the howling wolves, and the hooting owls were many times the only music of my civilization; and yet, born a slaveholder, in the very lap of that institution, with all of my people on the other side—all on earth I had went down in the emancipation proclamation, and my oldest

brother lies in the ditches at Corinth where they buried the boys in gray—I have said a hundred times, and say it now, that I thank God devoutly that as grand and glorious a patriot as Abraham Lincoln lived in this country. [Applause.]

But say, when I want to compare Abraham Lincoln and his crowd to the modern Republican bosses and leaders I go down to the Washington Monument and let that represent Abraham Lincoln, and then stick up a toothpick by the side of it. [Laughter.] But they are not to blame. There is a reason. No political party that dominated any country on earth as long as they did ever was able to live over its own sins. Designing powers get hold of a party in power and seek to prostitute it to their base and ignoble service, and so the Republican Party today is dominated by the trusts and combines and conscienceless criminal corporations just like the slave power in the Whig and Democratic Parties dominated those parties before the war. That is history.

I was national political lecturer for the Farmers' Alliance for three years, and during that time I had more than a hundred leading Republicans on my cant-hook. In the pomp and splendor of their great monopoly in politics you could see the very Pharisees of old written in their face. They would march up with a pompous feeling and lay down their little almanacs and tablets of one sort and another.

Mr. BAILEY. And dream books?

Mr. DAVIS of Texas. Yes; and dream books, and then proceed to thank God that they were not as other men. You could see that their life was bound up in the fourteenth chapter of St. John. They would walk up to the front and say, "Ye believe in God, believe also in me." [Laughter.] But, say, it is not that way now. Now they have a different tune. They start out now over in Psalms and cry out, "Create in me a clean heart, O God, and renew a right spirit within me." "Judge me not according to the multitude of my sins, but in the bounties of Thy mercy." One reason I am so determinedly against the increase of the Army and the Navy is the experience we had several years ago when William McKinley, a patriot, led this Republic into a war for liberty, for justice, and the rights of humanity, when the conduct of Weyler in Cuba was so revolting that the whole heart of the Republic rose in a thrill and asked to dethrone that tyrant and give that country liberty. But before we got through Mark Hanna had charge of the program, and marched us across the world, shot the Monroe doctrine all to pieces, made it a mockery in the history of the world, marched on beyond Japan, stopped at the very door of China, and put the Philippine Islands in Uncle Sam's pocket—to extend trade! And since then there is no man who has respect for the rights of humanity that can boast about the Monroe doctrine in America without feeling a pang.

I am for the Monroe doctrine, but that doctrine does not reach around the world nor include military conquest and plunder. They said they took that country because they represented manifest destiny. They were still in partnership with God, you see. Well, I thought then, and I think now, that you might possibly convince me that Jehovah had been walking along the archways of infinitude for 6,000 years waiting for Mark Hanna to make Bill McKinley President and then go to the Philippine Islands with Mauser rifles and Gatling guns to shoot salvation into those fellows. But, my God, this next inquiry comes: If you went over there to shoot salvation into them and God Almighty sent the rifles and the Gatling guns, what part of manifest destiny was to be played when the next line of transports carried 65,000 barrels of liquor? I suppose God sent that along to "teach them the way of the Lord more perfectly."

Let me give you a picture of 500 speeches I have made in the last 20 years all over this Republic. Divide the human family, as God divides them, into three great classes. The industrial world I will put in the middle. The agricultural world on the right; the business and professional world on the left. Blackstone tells us that the distinction between civilization and barbarism is in the production and distribution of life's comforts called commerce. Get that down in your hearts. Savage and barbarous people produce and distribute nothing. Production and distribution make civilization. If you allow that business and professional class to stand between this industrial family and that agricultural family and go to the mint and get the money that controls production and distribution, it will not be long until you will have the producer, the farmer, and the great industrial world just where they are now. Twenty-seven millions of this industrial class have to beg, plead, and pray at the shrine of heartless, conscienceless, cold-blooded trusts for the privilege of earning their daily bread. Here is the great family of farmers producing under a chattel mortgage one-third of the cotton raised in this Republic. Out of our 8,000,000 farmers 5,000,000 of them are tenants, and no more free land.

Two-thirds of the corn, two-thirds of the wheat, and far more than two-thirds of the cotton raised by men who do not own the soil. If 50 years of Republican rule has put us in that shape when we had an unconquered world to start with, my God, what must be the crop of misery, poverty, and want in the next 50 years? There is no longer a new world to go to, and if civilization can not turn back and banish this crowd of corporation usurpers and stop its rapacity, and mark a proper limit on the ownership of God's opportunities, then this Republic will go down in reeking ruin through anarchy and despotism.

The Gary dinners alarm me. I heard our President talk about the patriotism of the great family of employers being willing for their employees to join the Army. If he meant such as met around that festive board in that millionaire carouse of the Steel Trust—the Gary dinner—may God pity our country.

Gold itself in mountains makes the very earth barren of everything except rocks and thorns and thistles. And so it does with mankind. It drives all the mercy out of men until they have piled up uncounted millions and have their "foundations laid," and then, realizing the blood, terror, devastation, and sorrow that they have caused, seeing the shadows of age and feeling the impending curse of an avenging God, impelled by cringing remorse, they hand out a lot of their ill-gotten dollars in the hope that this will serve as fire insurance against the flames of hell. [Laughter.] I was amused at the thought of their patriotism.

It is the same patriotism that the slave driver had when he put dogs on the trail of his escaping slave, trailed him up, lashed his body into lacerating and bleeding scars, and took him back to bondage. It is the same patriotism that the crocodile has when he steals up to the bank of a stream, takes its long tail and swishes its victim into the water, and then crunches his bones. It is the same patriotism that the wolf has for sheep.

Theirs is the patriotism of every tyrannical king on earth, intensified by inordinate greed. They, without one restraining virtue or love of humanity, have their very soul wound up inside the curves of a dollar mark, and, left to their own depravity, would recrucify Christ, stone the prophets, and outrage the virgins to prolong their sway. The common people to them are but a plate of oysters, ready for them to eat when they pour the seasoning on.

We must save this country by the great middle class, who have heart-throbbing love for humanity, with an impulse and a hope. The two extremes in society have never paved the way to civilization.

After all, the worst of every war is an aftermath of the bond sharks, the legalized lords of money, surveying the wreck and ruin wrought by themselves and their cohorts. They will administer on the nation's estates and hold a debt payable in gold, while they retire in ease and affluence and lay tribute on the treasure and toil of the millions who survive.

But amidst all this mad clamor for a large Army and Navy, when the war-mad maniacs are telling us that our Navy is absolutely worthless, that it is a collection of hulks and hulks and antiquated instruments, I turn to the late Mr. Witherspoon, a gentleman and a judge whom I knew for 20 years, who made the experts of the United States admit that—in every measurement that makes for efficiency, effectiveness, and power—our Navy is now equal to any country on earth except England; and if the \$2,000,000,000 that this Republic has expended on the Army and Navy in the last 10 years have left us without any defense, my heavens, some of you Republican leaders and bosses should tell us who buncoed us.

Mr. MANN. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore (Mr. GARRETT). Does the gentleman from Texas yield to the gentleman from Illinois?

Mr. DAVIS of Texas. Sure; I will yield for a question, but not for a stump speech. [Laughter.]

Mr. MANN. I do not make them, like the gentleman does.

Mr. DAVIS of Texas. Thank you.

Mr. MANN. The gentleman said a moment ago, I think perhaps, he would hurry along, or something of that kind. Would the gentleman like to have more time after his hour is up?

Mr. DAVIS of Texas. Thank you. I shall not want more time after the hour. I am much obliged.

Mr. MANN. I will offer the gentleman time.

Mr. DAVIS of Texas. Thank you. I would like to have known it before, because in that case I could have systematized my remarks.

The SPEAKER pro tempore. The gentleman from Texas has 10 minutes yet remaining.

Mr. DAVIS of Texas. Thank you, my friends. When I once get folded up it takes some time to get unfolded. I ask, Mr. Speaker, the privilege of extending my remarks in the Record.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. DAVIS of Texas. In appearing to-day to plead for the farmer you will find my text where God said, "Open your mouth, judge righteously, and plead the cause of the poor and the needy."

The Democratic Party is committed to an asset currency and has given the commercial man and speculator an open and short-cut road to the mint, and bound by law to an almost limitless issue of currency to these classes at a nominal cost or rate of interest.

What our millions of patient and long-suffering farmers want, expect, and demand is that they, not as speculators or jugglers with commercial paper, but as life-savers, producers, whose toil has furnished food to make the flesh and blood of civilization, and whose produce clothes the living and shrouds the dead, be allowed to go to the mint and Treasury upon the same terms as the creditor classes.

The American farmer demands protection from competition with the reckless speculators and to be freed from the gripping greed of those whom the Comptroller of Currency says have charged 1,000 per cent. When statistics show over 1,000,000 farmers' wives and daughters in the fields, in the grim sweat and swelter, for less than 50 cents a day, it is wicked to hesitate and infamous not to give them relief.

The men who stand between the producer and consumer, holding a franchise to operate public functions, public utilities, and protected factories, have robbed both producer and consumer by law. They have robbed labor because it had no means of self-employment and was at their mercy. They robbed the producer because they control the money that buys, the factories that manufacture, and the transportation that hauls his produce. In this way they have extorted billions from a helpless people, and are now combined and combining to continue their spoliation by the support of a standing army.

If the Democratic Party gives the farmers a just law, then it will deserve and receive their unstinted praise as their redeemer, their Jesus; but if the party refuses, and gives them a stone when they ask for bread, then it will deserve and receive their execration, contempt, and scorn as their Judas.

A million women in the fields form the chain gang of this Republic, the industrial tragedy of the twentieth century. The very destiny of farm life is now in the hands of Congress.

Now, you Republicans, laugh.

Mr. MOORE of Pennsylvania. At what?

Mr. DAVIS of Texas. At yourselves for causing all this misery. [Laughter and applause on the Democratic side.] I was elected on a platform pledging rural credit.

A national farmers' credit and home-loan association is now a national demand by all parties and by all patriots. Wall Street influences are trying to force a system through that will send the farmer to them after the money so they can plaster him with more debt and force him to continue to feed and feast them with his toil for the use of money. If the farmer can make Wall Street safe, he can make the Government safe. Why should the farmer not have the funds as cheap as the commercial banks? I want some honest man to tell me that the farmer should be outlawed and driven from the mint, and then have the mint grind out millions, yea, billions, for the commercial and creditor class, and force Mr. Farmer to go there for it, thus making him their legal peon. We have now adopted a plan of asset currency by which the creditor class may turn in their assets, notes, bonds, etc., and have the Government issue them paper dollars at cost, taking these bonds, notes, stocks, etc., as security. I will never die satisfied until I see the farmer have the same right.

In my opening speech, 200,000 of which were distributed, I said:

We must not consider society as now existing either normal or natural. We have been vitiated, bound down by ages of oppression and plunder, and have never been allowed to develop the good or the sublime in our race.

Mankind is a creature of environment; his conscience is a pupil in the school of contact, subject to the evil as well as the good influences, and money is the most absorbing thought in the human race, and a just and righteous system of currency will do more to tone and elevate life than all else; but our present system is a relic of modified barbarism coming down from feudal times, and our country is yet filled with Shylocks who demand their pound of flesh.

We should divide our currency system into three parts, one-third as now through the reserve banks on the commercial assets of the country; one-third to the States, counties, and cities on their bonds for internal improvement; and one-third to the farmer on solvent warehouse receipts and land notes in the purchase or improvement of homes. Some such measure would confer an immeasurable blessing on the American people and make our common country a paragon of beauty.

First. It would put one-third of our paper money into circulation to the workingmen at cost and set a premium on internal improvements without loading the country with debt and taxation to be absorbed by bond sharks and great corporations.

Second. It would solve the problem of good roads and make it easy to use electric motors (autos) for overland common traffic, and make rural life contented and prosperous.

Third. It would soon interlace the Great Lakes and rivers with canals, levee the main streams, divert and control the vast overflows, and prevent all that devastation of life and property.

Fourth. It would make paved streets, waterworks, and other internal improvements for the cities easy with money from the Government mints direct to them at cost.

Fifth. It would soon make our national conservation a glorious success. We could wicker the western world with canals, impound at the base of the mountains in reservoirs the millions of cubic yards of water that come down each spring in the snow melt and save it for irrigation. These artificial lakes would in a few years moisten and humidate the atmosphere and bring about bountiful rains in summer.

Sixth. It would make our Reclamation Service an untold blessing. We could drain our swamp lands, making useful millions of acres of the best lands on earth, destroy the malarial-insect pest and convert these vast regions into happy, healthy, and prosperous homes.

Last, but not least, it would enable us to erect schools, colleges, universities all over the country with paper money at cost direct from the mint, and free our schools from the humiliation of accepting charity and tainted money from the great corporations and their sinister trust masters. We, the people, would issue the money to ourselves and pay it back to ourselves at a low nominal interest through our Treasury at Washington with the reserve banks as fiscal agents, basing these issues on land, State, county, and city bonds, the best and most stable security on earth.

Against the people's rule in all ages aristocracy has carried the red flag of anarchy or the black flag of piracy. In this country our aristocracy is created through our corporate laws and systems. But its power, arrogance, extortion, and extravagance are more intolerable and oppressive than that of the aristocrat born. If their agents and emissaries rail at me as a demagogue, I am only paying the price that all men pay who dare to defend the oppressed against the oppressor.

I am not a pessimist. I believe the world is rapidly advancing. Our material, mental, and moral progress is wonderful. Many persons grow gloomy over what they call the increase of crime and the decay of our race. This is a fallacy. They fail to consider that modern means of communication and information make it possible to see the misdeeds of the whole world yesterday portrayed to-day. It is not news to tell that 90,000,000 of people in this country behaved yesterday, but it is news to tell of a few hundred who misbehaved. It is the abnormal, unnatural, or extra conduct of man we read of. When I contrast the material progress of man, I think of Abraham sending a message across the plains of Judea on a "jack," racking off 6 miles an hour as their rapid transit, and of Ahimaaz running on foot to report the capture of Absalom to David, and then think of the fact that at a small cost we can touch a keyboard and shoot a message around the world before Lot could have gotten a courier back to Sodom to tell of his wife's collapse into a dome of salt. When I want to contrast our moral advancement, I think of St. John two decades after Christ's crucifixion standing in exile on the isle of Patmos, a criminal under Roman law for preaching the glorious gospel of a risen Redeemer. The last living member of Christ's Apostles; all the rest had lost their heads or had been cruelly slain by orders of government.

Then I think of the fact to-day that in every government on earth we preach the Gospel with perfect freedom. When I think of the labor troubles of to-day and the sad plight of organized labor I call to mind that shortly over a century ago, when baronial and lordly aristocracy ruled England, to be a member of a trades-union was a felony. Now organized labor is the strongest power in all Europe, and, Mr. Edison says, will soon issue the decree that will disrobe every king on the Continent and stop every wheel in motion until another Magna Charta is signed. I say, God grant the day. These and a thousand things like these give me great consolation over present affairs and great hope for the future. They tell me in undying accent that justice and right can never be shackled and bound by law, and that truth crushed to earth will surely rise again. But we must not content ourselves with the present. The man that tells you to rest contented because you are better off than your ancestors is an enemy of progress and represents the rust of civilization. Onward and upward is the road that leads to the glory of God and the grandeur of man.

I am cheerful to admit that we are far in advance of our ancestors.

But rank injustice still prevails,
And fills the world with strife;
We see its outrage everywhere,
In all the walks of life.

The slave as a slave in the South was ten times better off than his ancestors were as savage cannibals in the jungles of Africa, yet this country was baptized in blood to make way for the God-given rights of man. Lazarus is better off to-day, not because he has his full measure of opportunity under the law of God and enjoys the right to life, liberty, and the pursuit of happiness, but because Dives, the millionaire of 2,000 years ago, has become Morgan the billionaire of to-day and has more crumbs to drop from his table and more dogs to lick his sores. But if we continue to charter the natural blessings of our country into the hands of special privilege and allow them by law to concentrate and combine their wealth and power, ere long there will be a few thousand men like Dives and millions of men like Lazarus; then there will not be dogs enough to go around and lick their sores and soothe their pains.

Then outraged man in sore despair
Will rise in resentment everywhere,
And a million men who can't get crumbs
Will make complaint with dynamite bombs.

We live in a land that is blessed by nature beyond conception. All the natural elements that go to sustain a happy life are bounteous. The farmer is the greatest wealth producer in civilization, and blesses the world with his crop. It is his crop that goes to the outside world and brings its gold and keeps the balance of trade in favor of American commerce. For five generations the Republic has held for its people millions of free homes, yet with all of these natural blessings millions of our most industrious people are in the midst of despair. Every avenue of advancement foreclosed against them. Great corporations control our destiny; they have forced our people into layers and strata of life and forced them to submit to the rules, domination, and ravage of an aristocracy of wealth. They have covered the land with a corporation debt so intolerable that it will make serfs of our children—most of this ruinous and enslaving debt has been obtained by fraud, forgery, and usurpation. Their power over us is overwhelming. They control our money, the lifeblood of civilization. They control our great factories. They control our transportation both on land and sea. They stand guard over all our natural resources and forbid humanity to use them except at extortionate prices. They control the millions who toil in our mines, factories, railroads; and while piling up unmeasured millions for themselves they have driven the wage earner to the lowest living wage and have him helpless at the door of despair. They are by heartless methods denying his right to organize for self-protection. They control the farmer because they control the money and combines that buy his crop and the transportation that hauls it. Their agents and attorneys sit in the seats of the mighty, making the insidious and unjust decisions of to-day the precedent for to-morrow. They have built a political bastille into which they cram the common man and liberate the corporation and its venal manager. They infest our capitols like vultures to feast upon moral decay. They keep the best brains of our bar on their pay roll in princely salary to help them pillage the land by law. Covering the earth with a loathsome and scandalous debt running into billions, they now have these assets coined into cash through an asset currency. My friends, our great labor and producing masses cry for liberation. A bounteous yield from the farmers' field sends a thrill of joy through all the business world from the bootblack to the bondholder. Yet the great blessings he has wrought for humanity become a blight, a burden, and a curse to him. His richest harvests, his greatest crops, rise like a specter of despair to haunt him with the horror of more debt and more distress while some political pimp for plutocracy yells, "Overproduction!"

A few years ago young Rockefeller was born into an inheritance that if piled up in silver dollars would require a man working 10 hours a day to live a thousand years to count it. All this wealth, coming down to him through a law of entailment, perpetuity, and monopoly, in one of the greatest corporation trusts of the age, had so calloused the young man's soul that he was defending the trusts in a lecture to his Sunday school and illustrated the trusts in the business world as the American Beauty rose in the floral world, saying that most of the buds must be pinched off and let all the sap flow into one bud. A few days after that came out I made a speech in western Nebraska. I told the audience, though cold, cruel beyond measure, the logic of his simile was correct; that we could see all over this Republic the withered buds which had been pinched off; that 40,000 honest laborers then on strike for living wages and wholesome homes represented some of the withering buds; that 5,000,000 tenant farmers represented more of the buds that were withering; that the 20,000 workmen's wives that a school board had said were going without breakfast each day in five of our great cities that their hard-working

husbands might have meat for dinner and their children have dinner to take to school represented more of the withered buds; that the million working girls in our factories and sweatshops whom the vice commissions had said were working at such poor and paltry wages that after paying house rent, board, and laundry in a miserable existence thousands of them were forced in humility to sell their virtue for clothes, were a lot of the soft and tender buds that were being pinched off; that a hundred thousand tramps, vagrants, and outcasts were mostly the buds that had already withered and dried. Some one called out, "What about the dynamiters?" I answered, saying they were the buds with hard, stiff stems filled with thorns, and they lacerate the hand as they are pinched off. These are sad things to contemplate in a Christian land. The trusts and the Socialist Party present a serious situation and problem that must be solved. The trusts represent the despotism of our great corporations, a species of socialism led by greed and avarice for private gain, a method of collective ownership for private profit. It stifles all individual enterprises, chokes and strangles its rival, and, unrestrained, would soon make a few trusts own and control everything. This, the Socialists say, is proper, but the Government must be the trusts; that we must all work in common, own all things in common, making a heterogeneous mass of conflicting elements that, in my opinion, can never be brought in harmony; but we had as well look facts in the face. Two-thirds of our farmers are tenants now, and when they lose all hope of owning land they will vote for the Government to own it all and rent from the Government. More than two-thirds of our wage-workers must beg at the bar of some soulless trust or corporation for a place to earn their daily bread. In their helpless despair they are losing hope, and when they do they will vote for the Government to own all the means of production and distribution and force all to work for the Government. Debs, the leading Socialist, tells us the trust is an economic blessing and is here to stay, and should be owned and operated by the Government for the common good. Pierpont Morgan, king over all the regions of money and emperor over all the regions of rapacity, ordained by the Republican Party as general manager of this Republic, answered a Government inquiry, saying that the trust was here to stay, not, as Debs said, for public good, but for his good and others of his kind, and told the President of this glorious Republic that he could no more destroy the trusts than he could unscramble eggs.

I made a speech a few days after that in which I said that we might not be able to unscramble the eggs but we could see to it that Mr. Morgan, Rockefeller, and their kind should be allowed to put only a fair share of the eggs on their table after they were scrambled. Now, my friends, between the radicalism of Debs and the commercial cannibalism of Morgan there is a happy middle ground upon which stands the temple of liberty and where rest the highest attainments of civilization. The God who gave us life gave us liberty at the same time. The right to life carries with it the God-given or natural means of life, and all monopoly of land and natural resources contravene the law of God and outrage the rights of man and must be abolished. The Commissioner of Corporations, one of the important officers in our Government and one whose business it is to know facts about corporations, in speaking at Atlantic City, sounded a serious note of warning to the American people. He said in the past 15 years 200 corporations have grown to such an extent that they own in assets \$22,500,000,000—own three times as much property as the total wealth of this country 10 years prior to the Civil War. These 200 corporations, owned by a few thousand persons, have extorted enough to buy seven times as many slaves as were liberated by emancipation. They have ten times money enough to buy all the kings' estates of the earth. Their power to pillage is at least 1,000 times greater than the biggest slaveholder or the most ravenous king of history. And the voluptuous splendor in which they live has never been rivaled by the richest kings of earth. These lordly trust masters and their attorneys are the masters of our destiny. We fought seven years to free ourselves from the tyranny of King George. At Bunker Hill, Brandywine, and Yorktown our forefathers poured out their blood as an oblation to liberty under the inspiring battle cry that taxation without representation was tyranny, and yet each of these 200 corporations have taken from us more every year than King George did our forefathers in 50 years. To tamely submit to this rapine and plunder and then read the Declaration of Independence on July 4 and prate about our liberty is to make mockery of the sacred sacrifices our fathers made and prove ourselves the unworthy sons of noble sires. Do you wonder at the unrest among our millions of mortgage-ridden farmers and the ceaseless clamor of discontent among our half-paid rent-ridden wage earners? I know that among the "ruling

classes" speeches like these are unpopular. Men dread to confess their wrongs even to their God, and aristocracy has always become indignant at its accusers.

Abraham Lincoln, when lecturing against slavery in 1854, was sneeringly referred to as the "baboon from Illinois." Ten years later the despised baboon was recognized as one of the world's greatest patriots and penned the proclamation that burst the shackles from 3,000,000 chattel slaves. Just before the patriot died he said that he feared for the future of his country more than ever before, even in the midst of war; said that as a result of the war an era of corporations had been enthroned and would prey upon the prejudices of the war and prolong their power until liberty would be lost. Every page of history verifies that direful prophecy. When the manager of a corporation can spend \$3,000 on his wife's pet dog, and smug, strap, and brace it with the finest jewels, put it in a kennel amid satin, silk, and damask that cost more than the best farm home among 5,000,000 farmers, and turn then with stoic indifference to human rights and reduce the wages of 3,000 wage earners, many of them half-paid women and girls, liberty is already lost. When the owner of a great line of railroad can sidetrack every train of cars from New York to San Francisco and run his pedigreed dogs through on a special train, and then turn and issue \$50,000,000 worth of bonds on the road and pocket the cash and tax the living and mortgage the unborn to pay these bonds, we have reached a point of intolerable shame where none but the servile sycophant or beneficiaries of the outrage could be expected to be silent.

When the manager and directors of a railway, a system of great highways which they hold in trust for public good and for their stockholders and honest creditors, go behind the screens and in flagrant violation of positive laws build a lot of side lines and taps, capitalize them at ten times their cost and value, and sell them to themselves for the parent company and thus filch the parent company, rob its stockholders and creditors, walk off with the loot, leave the whole system in bankruptcy with millions of fraudulent debts as a fixed charge against the people, to be paid in exorbitant freight rates, while the looters live in luxury, we have reached a stage in corporate depravity that would make the world's greatest pirates petty thieves and highway robbers respectable rascals in comparison. To send the common crap shooters to the calaboose and poker players to prison, and then put these high-toned malefactors in our parlor as honored guests is to invite the admiration of the devil and turn the glory of God into shame. God has said, "The love of money is the root of all evil." The money question is the most absorbing question in the human mind; next to his soul's salvation, with the average man it is the most vital. Whoever controls the money of a country controls its destiny, and if the people are to control this country and run the Government for their own good they must control the issue and distribution of money. This is fundamental. The world's statesmen seem to have never learned that production is limited to consumption and consumption is limited to the average income of the average man. A great majority of our people are mechanics, wage earners, and farmers, whose labor is confiscated by a pagan, brutal, and unscrupulous economic system and by an unjust, outrageous, tyrannical money system, which starves industry and gorges indolence, caresses the covetous and greedy, pampers the rich, pauperizes the wage earner, and makes the farmer a peon. Hence we have underconsumption everywhere.

One man and a machine to-day does more work, Mr. Edison says, than a hundred slaves did in 1860. But a corporation owns the machine, hires the man, controls and directs both to its own good; hence the great corporations own all the improvements of the age, fill their own tills with unmeasured piles of wealth, and if labor becomes disobedient and refractory they shut down the plant, get their palatial yacht or palace car and glide away to a health resort, while the worker starves to submission. Or they call for the militia and have him listen to the music of the Mauser rifle or gaze down the muzzle of a Gatling gun. Thus they are masters, and the ravage goes on. The farmer has been designated "the backbone of civilization." It is his toil largely that tinsels the flummery of the great corporations with fringe of gold and fills their pockets with millions, that keeps the common merchant from the bankrupt courts and the banker doing business. You have read of heroes on the field of battle, of deeds devoted and glorious in religion, but the most self-sacrificing member of civilization is the farmer's wife. The Government work is 8 hours a day, the common laborer puts in 10 hours and counts the click of the clock on extra time. But around 5,000,000 farmers' homes day by day there is a farmer's wife who has no time limit to her toil. She rises with the early dawn and starts her ceaseless toil.

She lives in nature's open life,
With nature's native grace;
She has given the earth her greatest men,
The noblest of our race.

Yet, how few of us stop to think what her lot in life really is. The farmer's plow stops on Sunday, but the farmer's wife—

Must cook, and scrub, and wash, and rub,
And make up beds, and sweep the floor,
Just as she did the week before.

Yes; even more, for while the Lords' Day brings a thrill of joy for her piously inclined heart, it also brings a vast amount of extra work; yet, God bless her, she gets to church on time and has an innocent "Virgin Mary" smile that marks her as a consecrated Christian. We often find her weary and faint, tired of the cooking and cleaning, washing and bleaching and ironing. Canning, pickling, and preserving add fuel to the flames that consume her. The thought of lakesides and seashores gives her a veritable headache of longing, but her despoilers enjoy these blessings. In the closing scenes of her life, dressed in raiment of righteousness she stands just this side of the Jasper wall that separates us from the great beyond. The evening shadows fall thick and fast, glintings of a useful life glow in her countenance. The golden gates swing ajar and she is soon to leave this great groaning, greedy world. When her last lesson of life has been recited she sees the glimmer of a crown shining in the gloaming of eternity, and when the night shadows fall, too heavy for longer toil, the dear Lord giveth his beloved sleep.

In the name of 5,000,000 farmers' wives I plead for an honest system of rural credits.

It is a fundamental principle of Democracy (though now considered in some quarters as antiquated and shelf worn) that great military establishments are inimical to the peace of nations and dangerous to the liberties of the countries which maintain them. The war in Europe confirms it. With such a danger are we confronted unless the machinations of designing interests can be exposed and their schemes headed off.

The earlier lesson which the American people drew from the horrible conflict in Europe was the true one; it was, that when a country is converted into a military camp or its people are trained to arms the spirit of military aggression predominates and war inevitably ensues; that those who fall asleep under the tramp of soldiers and awake by the fife and drum may surely be expected to tire of the quiet ways of peace to become enamored of the so-called glory of war. But selfish and conscienceless interests, taking advantage of the excitement of the hour, have falsified our country's situation and, playing upon our fears, would hurry our Government upon a program of stupendous military preparation which no party in this country has heretofore been bold enough to espouse. Spurred on to unusual activity by the passion of gain and the worship of Mammon they, by hypocritical appeals to the national pride and hobgoblins of foreign invasion, would have us believe that our safety lies in following the unhappy nations of Europe, now at each others' throats destroying millions of their best and bravest, while a few grow vastly rich by feeding the bloody spirit of war. "War profits"—these words are no longer strangers to the peoples of Europe, for at last they realize that there are those who gain by their country's miseries. Of the same brood are those in our own country who see in the present war hysteria a golden opportunity to make of this country an easy customer for their munitions of war and who use the cry of the national defense as a cloak for hiding the deformity of their scheme of restoring the infamy of Republican tariffs and of breaking the back of Democracy by overloading it with the burdens of defenseless taxation; who seek to strangle the program of the Democracy for an adequate merchant marine by substituting battleships for those of commerce; who, halting at an expenditure last year of \$50,000,000 to acquire peaceful ships to carry our commerce to the world, do not flinch at the expenditure of a billion of dollars for the creation of a huge Army and Navy; who strive to shut off the vision of "a new freedom" and to close the door of hope to the common people; who would answer the cry of our farmers for the establishment of farm credits by giving them in lieu the burdens of war loans and multiplied taxes to support military contracts.

Are not the times portentous when general conscription for military service in time of peace is vigorously advocated? Is not the Democratic Party in peril if a great standing army is to be created and supported by stamp taxes? Is it not time for the people to awake when merciless Shylocks gather around a famous table to wine and dine a would-be Napoleon of America and to hatch schemes and lay plans to install their satraps in power through the overthrow of the Democratic Party? The snake has not been killed, it is only scotched.

The record of achievement of the present administration is one of which the honest, plain people of the country feel justly proud. It fearlessly entered upon the task of rescuing from

the hands of political and financial marauders functions of the Government which the Republican Party through 40 years of misrule had surrendered to them. It made the law, in the language of Scripture, "a terror to evildoers." It wrenched the national currency out of the hands of a band of buccaneers who had been allowed to manipulate it in the interests of private greed to breed panics, to browbeat and bankrupt enterprises which dared to contest with theirs, to swallow up competition, to restrict credit here and extend it there, and for other unholy ends. It cut the pipe line which connected special banking interests with the National Treasury and placed credit where it of right belonged, namely, on the mobile resources of the country's enterprises. Let no one believe that this was accomplished without the resistance or resentment of those who were thus unhorsed, nor any vainly imagine that the interests whose special privileges have been subjected to the knife meekly submit or have in contemplation ever to support those who applied it. They seek to destroy the Democracy.

It is said that when the war in Europe shall have ended most of the world's free wealth will be found in this country. Do not be deceived; that little squad, who constitute less than a millionth part of the country's population, but control a tenth of all its wealth, when the crucial hour strikes, will again touch knees round that famous table at Judge Gary's and lay out the plans for making sure that not much of that wealth will reach the common man.

The administration has corrected the glaring injustices of a tariff constructed to enrich privileged pets, which extorted from the consumer a dollar where a dime found its way into the National Treasury. It is a well-conceived plan of the protected interests to join in the clamor for "preparedness," hoping that in the confusion of enormous expenditures they may undermine the work of this administration and bring about the restoration of the era of graft in which they once reveled. It is a fact of glaring significance that the most excited clamor for the national defense comes from those who are hotfoot in their endeavors for a restoration of Republican tariffs and Republican measures as the means of raising the revenue to foot the bills. It is not uncommon to find a subsidized paper, which rings the changes on the "national defense," in such a hurry that it can not take time to place in a separate paragraph its plea for the restoration of protection as the only means of furnishing the revenue. For when the President suggested that a share of the cost of an enlarged Army and Navy should be laid on the Steel Trust through taxing structural steel and pig iron the trust and its allies at once took fright and resurrected the "round table" of Wall Street and got ready to put the pile of their billions behind the old régime, remembering how docile and tractable the old régime was when it was in power. It did not hesitate to suspend the laws to help a friend or to use the iron hand to crush an insurgent. A hurried note from the White House to my "Dear Mr. Attorney General" held the laws of the Nation in suspense, and the Treasury Department held horses while the Steel Trust highwaded its last competitor.

A commercialized conscience is war mad—mad for great world power—and the millionaire magi of our country are holding conclaves and forming cabals to force upon the country a stupendous program of military preparedness, hoping to put in the White House a dictator to execute it. When the war in Europe is over the war barons who build battleships and supply arms, having exhausted poor, stricken Europe, will turn to fresh fields. Their evangelism of might is already launched in the countries of this hemisphere. They plan to arm and prepare one nation, and then, pointing to its preparedness as a menace and danger to the others, urge the others to counterprepare. Did not the ammunition makers thus play battledore and shuttlecock with the countries of Europe? Are American battleship builders and gun manufacturers to be permitted to arm and prepare foreign powers and then use that preparedness to frighten us into huge outlays? Much of the clamor for preparedness has a metallic ring.

When the hysteria of the hour is over, if the country has been saddled with huge burdens which now or hereafter involves military service by compulsion in time of peace, the creation of a great continental army, to be employed to stifle the cry of labor and to crush all opposition to a military government, those responsible need not expect the American farmer, laborer, and wealth producer to humbly kneel to have the load strapped on their backs.

All history teaches that when the wealth of a nation is gathered into the hands of a few the powers of government go with it, and that the measures employed to uphold the rule of a moneyed oligarchy embrace great armies to insure submission. Thus enthroned the few, as was said by Mr. Jefferson, "run rampant and roughshod over the plundered plowman and beggared yeoman." In the swollen coffers and mercenary designs

of syndicated wealth lies the power to corrupt public opinion and debauch the electorate. These interests now own and control the electric wires that network the country and carry news. Their hands are already on the sources of information. Their power is next to supreme, and if the Democracy shall be wrecked the liberties which we enjoy will be at their sufferance. Give them an imperial army and navy, reinstate the Republican Party in power, and put a man at the head of the Nation of the restless ambitious spirit of Roosevelt, and we will have reached the beginning of the end of the rule of the people.

These war traffickers are lined up for a billion-dollar raid on the Treasury in the sacred name of national defense and carry on a systematic slander of our Army and Navy, stigmatizing it as "a thing out of date, impotent, and worthless as a power of defense." In the last 10 years we have spent something like \$2,000,000,000 on the Army and Navy, a sum greater than that spent during the same period by Germany and Japan.

While men's imaginations are being excited with visions of invading armies, burning cities, tramping soldiers, fluttering flags, prancing horses, thundering battleships, belching cannon, screaming shot, and bursting shells—the pomp and splendor of war—we appeal to the sanity of the plain people and call upon them to stand steadfastly by the teachings of the founders of the Republic and the ancient landmarks of democracy.

The path of the President and of his administration during this last year of troublous times has been beset with dangers on every hand; these our enemies would increase; they are digging pitfalls for the Democratic administration and setting snares for it. They must not be permitted to defeat the hope of the people. With a fair working ship bill enacted into law and put into operation, giving to American exporters and to the products of the American producer reasonable rates for ocean transportation, and a farm-credits bill enacted and inaugurated, giving to the tillers of the soil—who, after all, are the great mudsills of society and civilization—credit based upon their resources and at rates which that great nonspeculative enterprise can afford to pay, the achievements of this administration will link the name of our chief with those of Jefferson, Jackson, and Lincoln, and so establish the Democratic Party in the confidence of the people that it will be safe against all assaults of predatory wealth. But we must not sit in the lap of the Republican Party while a great military machine is fastened upon us, for, when the system is established and the expenditures are voted as nonpartisan, the Republicans stand aside and refuse to join in supplying the funds unless we allow them to resurrect that old fraud of a protective tariff, the most indefensible measure that inordinate greed and commercial cunning have ever invented.

A Navy adequate to the country's defense is an established policy of our party; to any necessary increase of that armament we would offer no opposition, but the incomes of the rich, inheritances, and "war profits" should bear a just share of the cost and the load be lightened for the industrious poor.

Nations should never forget what God meant when he sent an envoy of angels from Heaven to shout the "Glory of God, peace on earth, good will among men" when he christened the Babe of Bethlehem the Son of God and the Saviour of man.

"The wages of sin is death" applies to nations the same as to individuals. The nations, now drunk on blood, rioting in ruinous war, are paying the death penalty because their sins have found them out. Given over to ravenous greed with a riotous aristocracy, living in luxury and lust, ruling in rapacity, making mockery of God's laws and a shameless sham of Christianity for ages, they are now reaping the harvest of their sowing. This devastating war is simply a climax, a dreadful drama of man's reign, of "man's inhumanity to man."

Fifteen millions of the best specimens of manhood in all Europe, who should be the fathers of the next generation, engaged in killing one another and pulling down the piers of civilization, but few of the common men in this work of destruction want to perform it or know its origin. These countries are in the hands of a score of individuals called rulers, kings, emperors, whose despotism degrades the race. Millions of the wretched poor watch the marching armies and wait for starvation. Common men are but mere tools for the rulers. Lovers of peace have been unable to control events because people do not control governments and operate them for public good.

This war may bring to the world such a demonstration of horror, stupidity, and awe that a mighty revulsion will make for universal peace. It may bring these kings with their ministers and chancellors to the world's bar of justice in universal judgment, convicted of the most heinous crime in history, and cost them their crowns, for which God be praised!

We find our country the produce center of the world, the greatest wealth-producing country on earth, yet my heart sinks when I see the massive piles of wealth in the hands of a

privileged few who have held a franchise to fleece millions of men, and after having made them poor, ignorant, and sinful, in order to obtain, without their knowledge or consent, the products of their toil, these few, conscious of their own wrongs, now want to mesh our land with military barracks as a means of compelling submission to their further pillage.

A touch upon the heartstrings of my soul, and I hear the chimes respond:

O "dove of peace," where hast thou flown?
Is there no peace on earth?
Did the angels sing a false refrain
When they sang at our Savior's birth?
Will greed and gold forever rule
And fill the world with strife?
Is there no way to stay these wars
And reckless waste of life?
Shall gun thunders never cease
And dying millions moan,
While we feed the dogs of war
On human flesh and bone?
Then answering back from other shores
I heard the whisperings say:
We're now in the darkness that precedes
A glorious coming day;
When man shall take his murderous guns
And make of them, plowshares;
And loving God, be free from war
With all its toils and snares;
When men and women everywhere
Will love and trust each other;
And look to God as father of all
And all mankind as brother.

THE LATE REPRESENTATIVE JOSEPH A. GOULDEN.

Mr. BENNET. Mr. Speaker, I ask unanimous consent for the passage of the order that I send to the Clerk's desk.

The SPEAKER pro tempore (Mr. GARRETT). The gentleman from New York [Mr. BENNET] asks unanimous consent for the immediate passage of the resolution which the Clerk will report.

The Clerk read as follows:

Ordered, That Sunday, January 23, 1916, at 12 o'clock noon, be set apart for addresses upon the life, character, and public services of Hon. JOSEPH A. GOULDEN, late a Representative from the State of New York.

The SPEAKER pro tempore. Is there objection to the immediate consideration of the resolution?

There was no objection.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

WITHDRAWAL OF PAPERS.

Mr. FOSTER, by unanimous consent, was granted leave to withdraw from the files of the House, without leaving copies, the papers in the case of J. H. Moreland, House bill 7337, Sixty-third Congress, no adverse report having been made thereon.

He also, by unanimous consent, was granted leave to withdraw from the files of the House, without leaving copies, the papers in the case of Sophrona J. Spencer, House bill 14242, Sixty-second Congress, no adverse report having been made thereon.

EXTENSION OF REMARKS.

Mr. KETTNER. Mr. Speaker, I ask unanimous consent to extend in the Record some remarks made by a Member of this House on the State of California.

The SPEAKER pro tempore. The gentleman from California [Mr. KETTNER] asks unanimous consent to extend remarks in the Record by printing an address by a Member from California.

Mr. KETTNER. An address made by a Member of this House on the State of California.

The SPEAKER pro tempore. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

Mr. MANN. Pending that motion, Mr. Speaker, may I ask the gentleman from North Carolina a question?

Mr. KITCHIN. Certainly.

Mr. MANN. It is the intention, I understand, to-morrow, after the speech of the gentleman from Massachusetts [Mr. GARDNER], to take up the water-power bill?

Mr. KITCHIN. Yes; to take up the water-power bill.

Mr. MANN. So that everybody has notice of it.

Mr. KITCHIN. Yes. I renew the motion to adjourn, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. KITCHIN] moves that the House do now adjourn. The question is on agreeing to that motion.

The motion was agreed to; accordingly (at 4 o'clock and 52 minutes p. m.), the House adjourned until to-morrow, Friday, January 7, 1916, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Acting Secretary of War, transmitting copy of a joint resolution authorizing the Secretary of War to accept, on behalf of the United States, funds for the construction of a lighting plant for the illumination of the Statue of Liberty on Bedloe Island (H. Doc. No. 496); to the Committee on Military Affairs and ordered to be printed.
2. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report of preliminary examination of Quinnipiac River, New Haven Harbor, Conn., and Mill River, New Haven Harbor, Conn., up to the Grand Avenue Bridge (H. Doc. No. 497); to the Committee on Rivers and Harbors and ordered to be printed.
3. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Indian Creek, Vinalhaven, Me. (H. Doc. No. 498); to the Committee on Rivers and Harbors and ordered to be printed.
4. A letter from the Acting Secretary of the Navy, transmitting, in accordance with the naval appropriation act approved March 2, 1907, information in regard to the repair of vessels of the United States Navy (H. Doc. No. 499); to the Committee on Naval Affairs and ordered to be printed.
5. A letter from the Secretary of the Interior, transmitting copy of letter from Superintendent of United States Capitol Buildings and Grounds reporting completion of the Columbia Hospital for Women and Lying-in Asylum and making recommendations regarding the custodial care thereof (H. Doc. No. 500); to the Committee on the District of Columbia and ordered to be printed.
6. A letter from the chief clerk of the Court of Claims, transmitting certified copy of the findings of fact and conclusions in the case of Elizabeth Munday et al., sole heirs of Samuel Munday, deceased, v. The United States (H. Doc. No. 501); to the Committee on War Claims and ordered to be printed.
7. A letter from the chief clerk of the Court of Claims, transmitting certified copy of the findings of fact and conclusions in the case of The heirs of Frederick Hensalt v. The United States (H. Doc. No. 502); to the Committee on War Claims and ordered to be printed.
8. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Current River, Mo., above Donithan (H. Doc. No. 503); to the Committee on Rivers and Harbors and ordered to be printed.
9. A letter from the Secretary of Commerce, transmitting copy of the preliminary report of the committee of supervising inspectors of the Steamboat-Inspection Service (H. Doc. No. 504); to the Committee on the Merchant Marine and Fisheries and ordered to be printed.
10. A letter from the Sergeant at Arms, House of Representatives, transmitting report of receipts and disbursements by the Sergeant at Arms of the House of Representatives (H. Doc. No. 505); to the Committee on Accounts and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

- By Mr. SHACKLEFORD: A bill (H. R. 7617) to provide that the Secretary of Agriculture, on behalf of the United States, shall, in certain cases, aid the States in the construction and maintenance of rural post roads; to the Committee on Roads.
- By Mr. EDWARDS: A bill (H. R. 8015) to acquire additional site, enlarge, extend, remodel, and modernize the post-office and courthouse building at Savannah, Ga.; to the Committee on Public Buildings and Grounds.
- Also, a bill (H. R. 8016) to limit and define the powers of the judges of the district courts of the United States; to the Committee on the Judiciary.
- By Mr. HASTINGS: A bill (H. R. 8017) to provide for the reduction of the rate of postage chargeable on first-class mail matter for local delivery; to the Committee on the Post Office and Post Roads.
- By Mr. LEVER: A bill (H. R. 8018) to tax the privilege of dealing on exchanges, boards of trade, and similar places in contracts of sale of cotton for future delivery, and for other purposes; to the Committee on Ways and Means.
- By Mr. EDWARDS: A bill (H. R. 8019) providing for site and public building at Sylvania, Ga.; to the Committee on Public Buildings and Grounds.
- By Mr. COX: A bill (H. R. 8020) to reduce the mileage of Members of Congress, Resident Commissioners, and Delegates; to the Committee on Mileage.

By Mr. HOWARD: A bill (H. R. 8021) providing for the purchase of a site and the erection of a public building thereon at Decatur, Ga.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 8022) providing for the purchase of a site and the erection of a public building at East Point, Ga.; to the Committee on Public Buildings and Grounds.

By Mr. TAGUE: A bill (H. R. 8023) to equip the Boston Navy Yard for the construction of battleships; to the Committee on Naval Affairs.

By Mr. COSTELLO: A bill (H. R. 8024) to make an appropriation for improvement at Frankford Arsenal, Philadelphia, Pa.; to the Committee on Appropriations.

Also, a bill (H. R. 8025) to make an appropriation for improvement at Frankford Arsenal, Philadelphia, Pa.; to the Committee on Appropriations.

Also, a bill (H. R. 8026) to make an appropriation for the improvement of Frankford Arsenal, Philadelphia, Pa.; to the Committee on Appropriations.

By Mr. KENT: A bill (H. R. 8027) to standardize the treatment of tuberculosis in the United States, to provide Federal aid in caring for indigent tuberculous persons, and for other purposes; to the Committee on Appropriations.

By Mr. GARRETT: A bill (H. R. 8028) to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; to the Committee on the Judiciary.

By Mr. WICKERSHAM: A bill (H. R. 8029) for the protection and regulation of the fisheries of Alaska, and for other purposes; to the Committee on the Territories.

By Mr. HINDS: A bill (H. R. 8030) making an appropriation for the improvement of Wills Strait, Casco Bay, Me.; to the Committee on Rivers and Harbors.

By Mr. JONES: A bill (H. R. 8031) to establish the Fredericksburg and Adjacent National Battle Fields Memorial Park in the State of Virginia; to the Committee on Military Affairs.

Also, a bill (H. R. 8032) providing for the repair and rebuilding of the boulevard leading from Princess Anne Street, in the city of Fredericksburg, Va., to the national cemetery in Spotsylvania County, Va.; to the Committee on Military Affairs.

By Mr. WATKINS: A bill (H. R. 8033) to amend section 162 of the act to codify, revise, and amend the laws relating to the judiciary, approved March 3, 1911; to the Committee on Revision of the Laws.

By Mr. PLATT: A bill (H. R. 8034) authorizing the construction of a post-office building at Newburgh, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. MOORE of Pennsylvania: A bill (H. R. 8035) authorizing the expenditure of \$30,000 for the erection at Philadelphia, Pa., of a monument or memorial to Benjamin Franklin; to the Committee on the Library.

By Mr. ALEXANDER: A bill (H. R. 8036) to regulate the officering and manning of vessels subject to the inspection laws of the United States; to the Committee on the Merchant Marine and Fisheries.

By Mr. FOSTER: A bill (H. R. 8037) authorizing the Secretary of War to deliver two mounted bronze or brass cannon or fieldpieces, with their carriages and a suitable outfit of cannon halls, to the Jacob E. Reed Post, Grand Army of the Republic, Newton, Ill.; to the Committee on Military Affairs.

By Mr. GARLAND: A bill (H. R. 8038) to provide for the erection of a public building in the city of Pittsburgh, in the State of Pennsylvania, and the removal of the existing Federal building in the said city of Pittsburgh; to the Committee on Public Buildings and Grounds.

By Mr. SNELL: A bill (H. R. 8039) to authorize the Secretary of War to furnish two condemned cannon to the New York State Historical Association for use at the Crown Point Reservation, Crown Point, N. Y.; to the Committee on Military Affairs.

By Mr. LEVER: A bill (H. R. 8040) to appropriate money to enable the Secretary of Agriculture to license and inspect warehouses, and for other purposes; to the Committee on Agriculture.

By Mr. YOUNG of North Dakota: A bill (H. R. 8041) to create Bismarck, N. Dak., in the district of Dakota, a subport of entry; to the Committee on Ways and Means.

By Mr. ABERCROMBIE: A bill (H. R. 8042) to establish a University Board in the Department of the Interior; to the Committee on Education.

By Mr. JOHNSON of Washington: A bill (H. R. 8043) providing for the homestead entry of certain lands in the State of Washington, and for other purposes; to the Committee on the Public Lands.

By Mr. BENNET: A bill (H. R. 8044) to establish an auxiliary corps in the War Department; to the Committee on Military Affairs.

By Mr. MORIN: A bill (H. R. 8045) providing for the issuance of bonds by the United States for the defense of its coasts and shores and the protection of its people and their properties from invasion or aggressions of foreign nations; to the Committee on Ways and Means.

By Mr. TAGUE: A bill (H. R. 8046) amending section 4509, Revised Statutes; to the Committee on the Merchant Marine and Fisheries.

By Mr. LAFEAN: A bill (H. R. 8047) to increase the limit of cost of the construction of a Federal building at York, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. SMITH of Idaho: A bill (H. R. 8048) for the appropriation of \$250,000 additional for the destruction of predatory animals; to the Committee on Agriculture.

By Mr. HENSLEY: Resolution (H. Res. 78) providing for appointment of committee to inquire into the organization, membership, etc., of certain organizations engaged in national defense and peace propaganda; to the Committee on Rules.

By Mr. LOUD: Resolution (H. Res. 79) providing for free transportation of relief materials and supplies on auxiliary ships of the United States Navy; to the Committee on Naval Affairs.

By Mr. GREEN of Iowa: Resolution (H. Res. 80) for printing 10,000 copies of the report of the investigation of the Interstate Commerce Commission of the financial affairs of the Chicago, Rock Island & Pacific Railway Co.; to the Committee on Printing.

By Mr. CARTER of Oklahoma: Joint resolution (H. J. Res. 82) providing for the continuation of the Joint Commission to Investigate Indian Affairs; to the Committee on Indian Affairs.

By Mr. DILL: Joint resolution (H. J. Res. 86) providing that a facsimile of the original document of the Declaration of Independence be made a public document; to the Committee on Printing.

By Mr. SLAYDEN: Joint resolution (H. J. Res. 88) authorizing the American Society of Civil Engineers to erect a memorial to Alfred Noble in the city of Washington; to the Committee on the Library.

By Mr. TILSON: Memorial from the Connecticut Legislature, urging legislation to prevent dumping of dredged material in Long Island Sound; to the Committee on Rivers and Harbors.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 8049) granting a pension to Isaac Esley; to the Committee on Pensions.

Also, a bill (H. R. 8050) granting an increase of pension to Susan A. Hill; to the Committee on Invalid Pensions.

By Mr. ASHBROOK: A bill (H. R. 8051) granting a pension to Fred Tish; to the Committee on Pensions.

Also, a bill (H. R. 8052) granting an increase of pension to John Toothman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8053) granting an increase of pension to Phillip W. Longstreth; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8054) granting a pension to Nettie B. Shores; to the Committee on Pensions.

By Mr. AUSTIN: A bill (H. R. 8055) granting an increase of pension to Joseph A. M. Johnson; to the Committee on Pensions.

By Mr. BLACKMON: A bill (H. R. 8056) for the relief of John T. Melvin; to the Committee on Naval Affairs.

By Mr. BOOHER: A bill (H. R. 8057) for the relief of the legal representatives of Napoleon B. Giddings; to the Committee on War Claims.

By Mr. BRITTEN: A bill (H. R. 8058) for the relief of Oscar Samuelson; to the Committee on Claims.

Also, a bill (H. R. 8059) granting an increase of pension to Sigmund J. Messing; to the Committee on Pensions.

Also, a bill (H. R. 8060) granting a pension to Mary L. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8061) granting a pension to Sallie E. Gilkeson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8062) for the relief of the heirs of Claud Graham; to the Committee on Claims.

By Mr. BURGESS: A bill (H. R. 8063) granting an increase of pension to Charles B. Perry; to the Committee on Pensions.

By Mr. BUTLER: A bill (H. R. 8064) granting an increase of pension to Calvin Fryer; to the Committee on Invalid Pensions.

By Mr. CAMPBELL: A bill (H. R. 8065) granting an increase of pension to Wesley Rowland; to the Committee on Invalid Pensions.

By Mr. CARLIN: A bill (H. R. 8066) granting a pension to Mary E. Sanborn; to the Committee on Pensions.

By Mr. CARAWAY: A bill (H. R. 8067) to quiet the title to certain lands in the possession of G. B. Dickson, and for other purposes; to the Committee on the Public Lands.

Also, a bill (H. R. 8068) for the relief of E. C. Hornor; to the Committee on the Judiciary.

Also, a bill (H. R. 8069) granting an increase of pension to Nancy Ross; to the Committee on Invalid Pensions.

By Mr. CHARLES: A bill (H. R. 8070) granting a pension to Eugene H. Flanagan; to the Committee on Pensions.

By Mr. COOPER of Ohio: A bill (H. R. 8071) granting a pension to Nettie M. Fobes; to the Committee on Invalid Pensions.

By Mr. COSTELLO: A bill (H. R. 8072) granting a pension to Jennie Allen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8073) granting a pension to Mary A. Mood; to the Committee on Pensions.

Also, a bill (H. R. 8074) granting a pension to Hannah A. Caldwell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8075) granting a pension to Catherine Longshore; to the Committee on Invalid Pensions.

By Mr. CRAGO: A bill (H. R. 8076) granting a pension to Ryan V. Eichelberger; to the Committee on Pensions.

Also, a bill (H. R. 8077) granting an increase of pension to Mary E. Wolf; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8078) granting an increase of pension to Margaret Wolf; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8079) granting an increase of pension to Sallie E. Mullin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8080) granting an increase of pension to Alexander Noffsinger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8081) granting an increase of pension to Rebecca Reed; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8082) granting an increase of pension to Josiah Fosnot; to the Committee on Invalid Pensions.

By Mr. CRISP: A bill (H. R. 8083) granting a pension to B. F. Barden; to the Committee on Pensions.

Also, a bill (H. R. 8084) granting a pension to Ardilley Braining; to the Committee on Pensions.

By Mr. CULLOP: A bill (H. R. 8085) granting an increase of pension to John Mallett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8086) granting an increase of pension to John M. Jackman; to the Committee on Invalid Pensions.

By Mr. DANFORTH: A bill (H. R. 8087) granting an increase of pension to William Cobb; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8088) granting an increase of pension to Emily P. Zeak; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8089) for the relief of Frank Mogridge; to the Committee on Claims.

Also, a bill (H. R. 8090) for the relief of Jacob F. Weidner; to the Committee on Claims.

By Mr. DICKINSON: A bill (H. R. 8091) for the relief of George W. Colbert; to the Committee on Military Affairs.

By Mr. DILL (by request): A bill (H. R. 8092) confirming patents heretofore issued to certain Indians in the State of Washington; to the Committee on Indian Affairs.

By Mr. DILLON: A bill (H. R. 8093) for the relief of Wilson M. Dent; to the Committee on Claims.

By Mr. DOWELL: A bill (H. R. 8094) granting an increase of pension to George W. Short; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8095) granting an increase of pension to James T. Thrasher; to the Committee on Invalid Pensions.

By Mr. DRUKKER: A bill (H. R. 8096) granting a pension to William H. Adam; to the Committee on Invalid Pensions.

By Mr. FIELDS: A bill (H. R. 8097) granting an increase of pension to William C. McCracken; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8098) granting an increase of pension to James Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8099) granting an increase of pension to Wilder Branum; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8100) granting an increase of pension to William H. Gillum; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8101) granting an increase of pension to Joseph Hollingsworth; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8102) granting an increase of pension to Montville Cooksey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8103) granting an increase of pension to Levi H. Colburn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8104) granting an increase of pension to Thomas M. Patton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8105) granting an increase of pension to R. F. Rice; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8106) granting an increase of pension to E. B. Wilhoit; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8107) granting a pension to James H. Gilley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8108) for the relief of the legal representatives and heirs of Elizabeth Bruce, deceased, widow of the late John H. Bruce; to the Committee on War Claims.

Also, a bill (H. R. 8109) granting a pension to Hattie Sylvia; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8110) granting an increase of pension to Margaret L. Campbell; to the Committee on Pensions.

Also, a bill (H. R. 8111) granting an increase of pension to James H. O'Brien; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8112) granting an increase of pension to John H. Ellis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8113) granting an increase of pension to Perry G. P. Bruce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8114) for the relief of Otho Adams; to the Committee on Claims.

By Mr. FOSTER: A bill (H. R. 8115) granting an increase of pension to Saphrona J. Spencer; to the Committee on Pensions.

Also, a bill (H. R. 8116) for the relief of Charles Snyder; to the Committee on Military Affairs.

Also, a bill (H. R. 8117) for the relief of Peter Helfman; to the Committee on Claims.

By Mr. FOCHT: A bill (H. R. 8118) granting an increase of pension to Amos M. Stroh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8119) granting a pension to Mary E. Temple; to the Committee on Invalid Pensions.

By Mr. FULLER: A bill (H. R. 8120) granting an increase of pension to George D. Hart; to the Committee on Invalid Pensions.

By Mr. GILLETT: A bill (H. R. 8121) granting a pension to Hannah R. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8122) granting an increase of pension to Peter N. Cullins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8123) granting an increase of pension to John H. Sanders; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8124) granting an increase of pension to Arthur W. Blauvelt; to the Committee on Pensions.

Also, a bill (H. R. 8125) for the relief of Dennis Frenyer; to the Committee on Military Affairs.

By Mr. GODWIN of North Carolina: A bill (H. R. 8126) for the relief of Thomas D. Meares, administrator of Armand D. Young, deceased; to the Committee on War Claims.

By Mr. GRAY of Indiana: A bill (H. R. 8127) granting a pension to Effie Peterman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8128) granting an increase of pension to Mary M. Julian; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 8129) for the relief of Lewis Montgomery; to the Committee on the Public Lands.

Also, a bill (H. R. 8130) for the relief of Willis B. Morse; to the Committee on the Public Lands.

By Mr. HENSLEY: A bill (H. R. 8131) granting an increase of pension to Eliza E. Sutherland; to the Committee on Invalid Pensions.

By Mr. HERNANDEZ: A bill (H. R. 8132) authorizing the Secretary of War to award the congressional medal of honor to Second Lieut. Etienne de P. Bujac; to the Committee on Military Affairs.

By Mr. HILLIARD: A bill (H. R. 8133) granting a pension to George F. Taylor; to the Committee on Invalid Pensions.

By Mr. HINDS: A bill (H. R. 8134) granting a pension to George S. Rowell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8135) granting a pension to Ammi D. Seabury; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8136) granting a pension to Phylla O. Norton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8137) granting a pension to Eunice E. Dodge; to the Committee on Invalid Pensions.

By Mr. HOLLINGSWORTH: A bill (H. R. 8138) granting a pension to Homer D. Truax; to the Committee on Invalid Pensions.

By Mr. HOWARD: A bill (H. R. 8139) for the relief of the legal representatives of James Welsman, deceased; to the Committee on War Claims.

By Mr. HULL of Iowa: A bill (H. R. 8140) granting a pension to William Herbert Fish; to the Committee on Invalid Pensions.

By Mr. HUSTED: A bill (H. R. 8141) for the relief of the dependent widow of Patrick Curran, civilian employee of the Government, who was killed while in the discharge of his duties at the United States naval magazine at Iona Island, N. Y.; to the Committee on Claims.

By Mr. KELLEY: A bill (H. R. 8142) granting a pension to Carrie Atkins Coddington; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8143) granting an increase of pension to Mary Clinton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8144) granting an increase of pension to Cyrus A. Lewis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8145) for the relief of F. D. Gregg; to the Committee on Claims.

By Mr. KENNEDY of Iowa: A bill (H. R. 8146) granting an increase of pension to William H. Craven; to the Committee on Invalid Pensions.

By Mr. KIESS of Pennsylvania: A bill (H. R. 8147) granting a pension to Fred Reidy; to the Committee on Pensions.

Also, a bill (H. R. 8148) granting an increase of pension to Ola Smith; to the Committee on Invalid Pensions.

By Mr. KREIDER: A bill (H. R. 8149) granting a pension to Mary E. Galbraith; to the Committee on Pensions.

By Mr. LESHER: A bill (H. R. 8150) granting an increase of pension to Aaron Spotts; to the Committee on Invalid Pensions.

By Mr. LOUD: A bill (H. R. 8151) granting an increase of pension to Francis King; to the Committee on Invalid Pensions.

By Mr. McARTHUR: A bill (H. R. 8152) granting a pension to Martha S. Becker; to the Committee on Pensions.

Also, a bill (H. R. 8153) granting a pension to Otto H. Staron; to the Committee on Pensions.

Also, a bill (H. R. 8154) granting an increase of pension to Lillie E. Spaulding; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8155) granting an increase of pension to Patrick J. Hyde; to the Committee on Pensions.

Also, a bill (H. R. 8156) granting a pension to Clara B. Lowe; to the Committee on Pensions.

By Mr. McFADDEN: A bill (H. R. 8157) granting an increase of pension to William F. Daly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8158) granting an increase of pension to William Benjamin; to the Committee on Invalid Pensions.

By Mr. MEEKER: A bill (H. R. 8159) granting a pension to Louis Becker; to the Committee on Pensions.

By Mr. MOORES of Indiana: A bill (H. R. 8160) granting an increase of pension to Martha L. Whitsit; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8161) granting an increase of pension to Thomas Hanway; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8162) granting an increase of pension to John A. Blackwell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8163) granting a pension to William H. Jones; to the Committee on Pensions.

Also, a bill (H. R. 8164) granting a pension to Mollie W. Springer; to the Committee on Pensions.

By Mr. MORRISON: A bill (H. R. 8165) granting an increase of pension to George S. West; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8166) granting a pension to George B. Roach; to the Committee on Invalid Pensions.

By Mr. MOSS of West Virginia: A bill (H. R. 8167) granting a pension to Alfred J. Osborn; to the Committee on Pensions.

By Mr. NORTH: A bill (H. R. 8168) granting an increase of pension to William B. Stahl; to the Committee on Invalid Pensions.

By Mr. OLDFIELD: A bill (H. R. 8169) for the relief of the heirs of William H. Harvey, deceased; to the Committee on War Claims.

By Mr. OVERMYER: A bill (H. R. 8170) granting an increase of pension to Joel Alldaffer; to the Committee on Invalid Pensions.

By Mr. PHELAN: A bill (H. R. 8171) granting an increase of pension to Harry A. P. Mayville; to the Committee on Invalid Pensions.

By Mr. PLATT: A bill (H. R. 8172) granting a pension to James R. Bennett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8173) for the relief of the Montgomery & Erie Railway Co.; to the Committee on Claims.

Also, a bill (H. R. 8174) for the relief of the Goshen & Deckertown Railway Co.; to the Committee on Claims.

Also, a bill (H. R. 8175) granting a pension to Emma A. Palmer; to the Committee on Invalid Pensions.

By Mr. POWERS: A bill (H. R. 8176) granting an increase of pension to Zacharah Holland; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8177) granting a pension to Stephen House; to the Committee on Pensions.

Also, a bill (H. R. 8178) granting a pension to Sarah Scott; to the Committee on Pensions.

By Mr. PRATT: A bill (H. R. 8179) granting a pension to Samuel L. Meddaugh; to the Committee on Pensions.

Also, a bill (H. R. 8180) granting an increase of pension to James C. Hakes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8181) granting a pension to James P. Shewman; to the Committee on Invalid Pensions.

By Mr. RODENBERG: A bill (H. R. 8182) to correct the military record of Lauritz S. Rasmussen; to the Committee on Military Affairs.

Also, a bill (H. R. 8183) to remove the charge of desertion standing against the record of Stephen McKenzie; to the Committee on Military Affairs.

Also, a bill (H. R. 8184) granting an increase of pension to William J. Rogers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8185) granting an increase of pension to Squire P. Reamer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8186) granting an increase of pension to David Luke; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8187) granting an increase of pension to James J. Ferguson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8188) granting a pension to Ivey W. Watkins; to the Committee on Pensions.

Also, a bill (H. R. 8189) granting a pension to Edward Dzugolewski; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8190) granting a pension to Susan C. Johnson; to the Committee on Invalid Pensions.

By Mr. RUSSELL of Missouri: A bill (H. R. 8191) granting an increase of pension to Robert N. Barton; to the Committee on Invalid Pensions.

By Mr. SABATH: A bill (H. R. 8192) for the relief of the United Breweries Cos., of Chicago, Ill.; to the Committee on Claims.

By Mr. SELLS: A bill (H. R. 8193) granting a pension to Andy H. Fritts; to the Committee on Pensions.

By Mr. SLEMP: A bill (H. R. 8194) granting a pension to Charles Nelms; to the Committee on Pensions.

Also, a bill (H. R. 8195) granting a pension to Robert L. Farris; to the Committee on Pensions.

Also, a bill (H. R. 8196) granting an increase of pension to Nathaniel L. Lawrence; to the Committee on Pensions.

Also, a bill (H. R. 8197) for the relief of George T. Larkin; to the Committee on Claims.

By Mr. SMITH of Michigan: A bill (H. R. 8198) granting a pension to Mary E. Olmsted; to the Committee on Invalid Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 8199) for the relief of Dora Nickerson; to the Committee on Claims.

By Mr. SMITH of Texas: A bill (H. R. 8200) for the relief of M. E. Sitters; to the Committee on Claims.

By Mr. SNYDER: A bill (H. R. 8201) granting a pension to Elsie L. Flegle; to the Committee on Pensions.

By Mr. STEPHENS of California: A bill (H. R. 8202) granting a pension to Sinnie Young; to the Committee on Invalid Pensions.

By Mr. STEPHENS of Texas: A bill (H. R. 8203) to cancel the allotment of Davie Skootah on the Lummi Reservation, Wash., and reallocate the lands included therein; to the Committee on Indian Affairs.

By Mr. SUTHERLAND: A bill (H. R. 8204) for the relief of legal representatives of John T. Adkins, deceased; to the Committee on War Claims.

By Mr. TALBOTT: A bill (H. R. 8205) to carry out the findings of the Court of Claims in the case of the Sanford & Brooks Co.; to the Committee on Claims.

By Mr. TAYLOR of Arkansas: A bill (H. R. 8206) for the relief of Mrs. M. A. Hibbard; to the Committee on War Claims.

By Mr. THOMPSON: A bill (H. R. 8207) granting a pension to Pearl Parker; to the Committee on Pensions.

Also, a bill (H. R. 8208) granting a pension to Elliott C. Howe; to the Committee on Pensions.

Also, a bill (H. R. 8209) for the relief of Morris S. Baker; to the Committee on War Claims.

By Mr. TILSON: A bill (H. R. 8210) granting an increase of pension to Mary E. Doolittle; to the Committee on Invalid Pensions.

By Mr. WARD: A bill (H. R. 8211) granting an increase of pension to Henry J. Newell; to the Committee on Invalid Pensions.

By Mr. WASON: A bill (H. R. 8212) for the relief of the legal representatives of George W. Soule; to the Committee on Claims.

By Mr. THOMAS S. WILLIAMS: A bill (H. R. 8213) granting an increase of pension to Edmund C. Park; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8214) granting an increase of pension to Ira A. Goodridge; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8215) granting an increase of pension to Carroll C. M. Frame; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8216) granting an increase of pension to Hugh M. Parkinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8217) granting an increase of pension to Monroe J. Potts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8218) granting an increase of pension to Elizabeth Berry; to the Committee on Pensions.

By Mr. YOUNG of North Dakota: A bill (H. R. 8219) granting a pension to George W. Widener; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8220) granting a pension to Judith E. Haskell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8221) granting a pension to Louisa Fleming; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8222) to correct the military record of A. J. Henry; to the Committee on Military Affairs.

By Mr. BYRNS of Tennessee: Joint resolution (H. J. Res. 87) authorizing and directing the Secretary of the Treasury to credit the stamp account of Edward B. Craig, as collector of internal revenue of the collection district of Tennessee, in the sum of \$2,034.89, being the representative value of certain internal-revenue documentary stamps which were taken from the office of said collector by an act of burglary; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of the Pennsylvania Arbitration and Peace Society, urging that the Pan American Conference be made permanent; to the Committee on Foreign Affairs.

By Mr. ALLEN: Petition of citizens of Glendale, Ohio, favoring taxing mail-order houses; to the Committee on Ways and Means.

By Mr. ASHBROOK: Evidence to accompany the bill (H. R. 7669) for relief of John A. McLain; to the Committee on Pensions.

Also, petition of 54 merchants of Mansfield, Ohio, in favor of the so-called Stevens bill; to the Committee on Interstate and Foreign Commerce.

Also, resolutions of the Ohio Private Bankers' Associations, against a stamp on bank checks; to the Committee on Ways and Means.

By Mr. BEALES: Memorial of the Religious Society of Friends of Pennsylvania, New Jersey, Delaware, and Maryland, against preparedness; to the Committee on Military Affairs.

By Mr. CHARLES: Memorial of Schenectady (N. Y.) Board of Trade, favoring military preparedness; to the Committee on Military Affairs.

Also, petitions of sundry citizens of the thirtieth New York congressional district, favoring bill taxing mail-order houses; to the Committee on Ways and Means.

By Mr. DALE of New York: Petition of Associated Charities of Minneapolis, Minn., favoring passage of House bill 476, Kern-McGillicuddy bill, relative to compensation for injured employees of United States Government; to the Committee on the Judiciary.

By Mr. DARROW: Memorial of Philadelphia Branch of the National Security League, favoring national defense; to the Committee on Military Affairs.

Also, memorial of Pennsylvania Arbitration and Peace Society, of Philadelphia, Pa., relative to a conference of American Republics for peace; to the Committee on Foreign Affairs.

Also, petition of Monthly Meeting of Friends of Philadelphia, Pa., against increase of armament of the United States; to the Committee on Military Affairs.

By Mr. DYER: Petitions of Associated Charities of Minneapolis, Minn., and Scandinavian-Canadian Land Co., of Minneapolis, favoring passage of the Kern-McGillicuddy bill, relative to compensation for injured employees of the Government; to the Committee on the Judiciary.

Also, memorial of the United Spanish War Veterans, Department of Tennessee, favoring bill to pension widows; to the Committee on Pensions.

By Mr. EAGAN: Petition of Electrical Supply Jobbers' Association, favoring passage of the Stevens standard-price bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of Newark Typographical Union, No. 103, relative to investigation of the treatment of the West Virginia coal miners; to the Committee on the Judiciary.

Also, petitions of Schwind & Maher, of Francitas, Tex., and North American Fruit Exchange, of New York City, favoring appropriation for fighting citrus canker; to the Committee on Agriculture.

By Mr. FITZGERALD: Memorial of Atlantic Deeper Waterways Association, urging adoption of the Atlantic intracoastal waterways system; to the Committee on Rivers and Harbors.

Also, memorial of National Association of Vicksburg Veterans, relative to appropriation for reunion at Vicksburg in 1917; to the Committee on Appropriations.

Also, petition of 53 cigar, tobacco, stationery, and newspaper storekeepers, protesting against internal-revenue war tax on tobacco, etc.; to the Committee on Ways and Means.

Also, petition of Yetta Kerber, of New York, protesting against the increase in tax on beer, etc.; to the Committee on Ways and Means.

Also, memorial of Sons of the Revolution, State of New York, favoring preparedness; to the Committee on Military Affairs.

Also, memorial of Western States Reclamation Conference, favoring passage of Senate bill 6827, relative to swamp lands, etc.; to the Committee on the Public Lands.

Also, memorial of Twenty-eighth Ward Taxpayers Protective Association, favoring passage of the Hamill bill; to the Committee on Reform in the Civil Service.

By Mr. FOCHT: Evidence in support of House bill 7079, for the relief of Riley R. Zerbe; to the Committee on Invalid Pensions.

Also, evidence in support of House bill 6584, for the relief of David E. Shaver; to the Committee on Invalid Pensions.

By Mr. FOSTER: Petitions of sundry citizens of the State of Illinois, favoring law abolishing throughout the United States the manufacture, sale, etc., of alcoholic liquors; to the Committee on the Judiciary.

By Mr. FULLER: Papers to accompany House bill 7096, granting an increase of pension to Adon Butler; to the Committee on Invalid Pensions.

Also, petition of Seattle Chamber of Commerce, concerning railway-mail pay; to the Committee on the Post Office and Post Roads.

Also, papers to accompany bill granting an increase of pension to George D. Hart; to the Committee on Invalid Pensions.

Also, petition of Sons of the Revolution, favoring national defense; to the Committee on Military Affairs.

Also, petition of 96 members of Local Union No. 1722, United Mine Workers of America, of Oglesby, Ill., against large appropriations for national defense, and for the manufacture by the Government of all necessary munitions of war; to the Committee on Military Affairs.

By Mr. GORDON: Petitions of James W. Brady and 885 other citizens of Cleveland, Ohio, protesting against any additional taxes on beer, etc.; to the Committee on Ways and Means.

By Mr. HILLIARD: Petition of citizens of Merino, Colo., against militarism; to the Committee on Military Affairs.

By Mr. HOLLINGSWORTH: Evidence in support of bill for pension for Homer D. Truax; to the Committee on Invalid Pensions.

Also, memorial of Friends' Boarding School, at Barnesville, Ohio, and 93 students, opposing preparedness; to the Committee on Military Affairs.

Also, memorial of Ohio Millers' State Association, favoring law for grading grain; to the Committee on Agriculture.

Also, memorial of Neugart & Eberle, Bridgeport, Ohio, relative to increase of taxes on liquor traffic; to the Committee on Ways and Means.

By Mr. HOWARD: Petition of 71 citizens of Clearfield County, Pa., for a Christian amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. KINKAID: Petition of citizens of Alliance, Nebr., favoring prohibitive tax on manufacture and sale of liquors except for medicinal purpose; to the Committee on the Judiciary.

By Mr. LAFEAN: Memorial of Columbus (Ohio) Chamber of Commerce, relative to railway-mail pay; to the Committee on the Post Office and Post Roads.

By Mr. LOUD: Papers to accompany bill for increase in pension of Francis King; to the Committee on Invalid Pensions.

By Mr. NOLAN: Protest of the Society of Friends, of Pasadena, Cal., against any increase in military appropriations; to the Committee on Military Affairs.

By Mr. PRATT: Petition of B. Doolittle, C. H. Faust, C. W. Arnold, J. L. Beak, J. R. Thexten, and F. Cogers, all of Elmira, N. Y., protesting against the Moon bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of Wilhelm H. Warns, Joseph Nitsche, Henry Otto Hauptmann, Joseph Eck, George H. Rochs, and Ernest Kaulfuss, all of Corning, N. Y., favoring embargo upon further shipment of war material; to the Committee on Military Affairs.

By Mr. SNYDER: Petition of Utica (N. Y.) Lodge, No. 33, Benevolent and Protective Order of Elks, favoring passage of

House bill 437, making the "Star-Spangled Banner" the national anthem; to the Committee on the Judiciary.

Also, petition of sundry citizens of the thirty-third congressional district of New York, favoring bill taxing mail-order houses; to the Committee on Ways and Means.

By Mr. STEDMAN: Petition of operatives of Minneola Manufacturing Co. and King Cotton Mills, protesting against the child-labor bill; to the Committee on Labor.

Also, petition of Revolution Cotton Mills operatives, Greenboro, N. C., opposing child-labor bill; to the Committee on Labor.

By Mr. TILSON: Petition of John Elliott, of New Haven, Conn., favoring proper national-defense system; to the Committee on Military Affairs.

Also, petition of Allan M. Osborn Camp, United Spanish War Veterans, for pensioning of Spanish War veterans; to the Committee on Pensions.

By Mr. TIMBERLAKE: Petition of Andrew Duman, Mrs. Katie Specht, Felix Stromberg, Charles W. Mayer, Mrs. A. Duman, Mrs. Angeline Stromberg, citizens of Akron, Colo., protesting against appropriations for increased armament; to the Committee on Military Affairs.

By Mr. TOWNER: Petition of J. L. Gardner and 152 other citizens of Leon, Iowa, protesting against the adoption of compulsory military service; to the Committee on Military Affairs.

By Mr. YOUNG of North Dakota: Memorial of Synod of the Northwest of the Reformed Church in the United States, protesting against the exportation of munitions of war; to the Committee on Military Affairs.

Also, petition of citizens of Jamestown, N. Dak., favoring a Federal motion-picture commission; to the Committee on Education.

SENATE.

FRIDAY, January 7, 1916.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we linger this sacred moment in Thy presence at the opening of a new legislative day. We bless Thee for the fair vision that opens to our minds of a happy people surrounded by the comforts of home, prosperous in their business enterprises, in essential unity, loving liberty, honoring the law, fearing God. Grant, we pray, that no misconception of the great principles of life may mar the beautiful prospect, the glorious opening of the years to come to this happy people. Guide us in the discharge of our duties. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

PURCHASE OF SEEDS (S. DOC. NO. 234).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Agriculture, transmitting, pursuant to law, a detailed statement showing the place, the quantity, and price of seeds purchased and the dates of purchase, etc., which, with the accompanying paper, was referred to the Committee on Agriculture and Forestry and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed a bill (H. R. 562) to amend the act approved June 25, 1910, authorizing a Postal Savings System, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. 3681) authorizing the construction of a bridge across the Arkansas River at or near Tulsa, Okla., and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented a joint resolution of the Legislature of Georgia relative to the development and use of water power in the South in conjunction with plans for an increase of the armaments of the Army and Navy, which was referred to the Committee on Military Affairs.

He also presented a resolution adopted at the fourth annual meeting of the Council of the National Association Opposed to Woman Suffrage, held in Washington December 15, 1915, remonstrating against the adoption of an amendment to the Constitution granting the right of suffrage to women, which was referred to the Committee on Woman Suffrage.

Mr. WORKS presented a petition of sundry citizens of Colfax, Cal., praying for the enactment of legislation to provide for Government ownership of water-power utilities, which was referred to the Committee on Commerce.